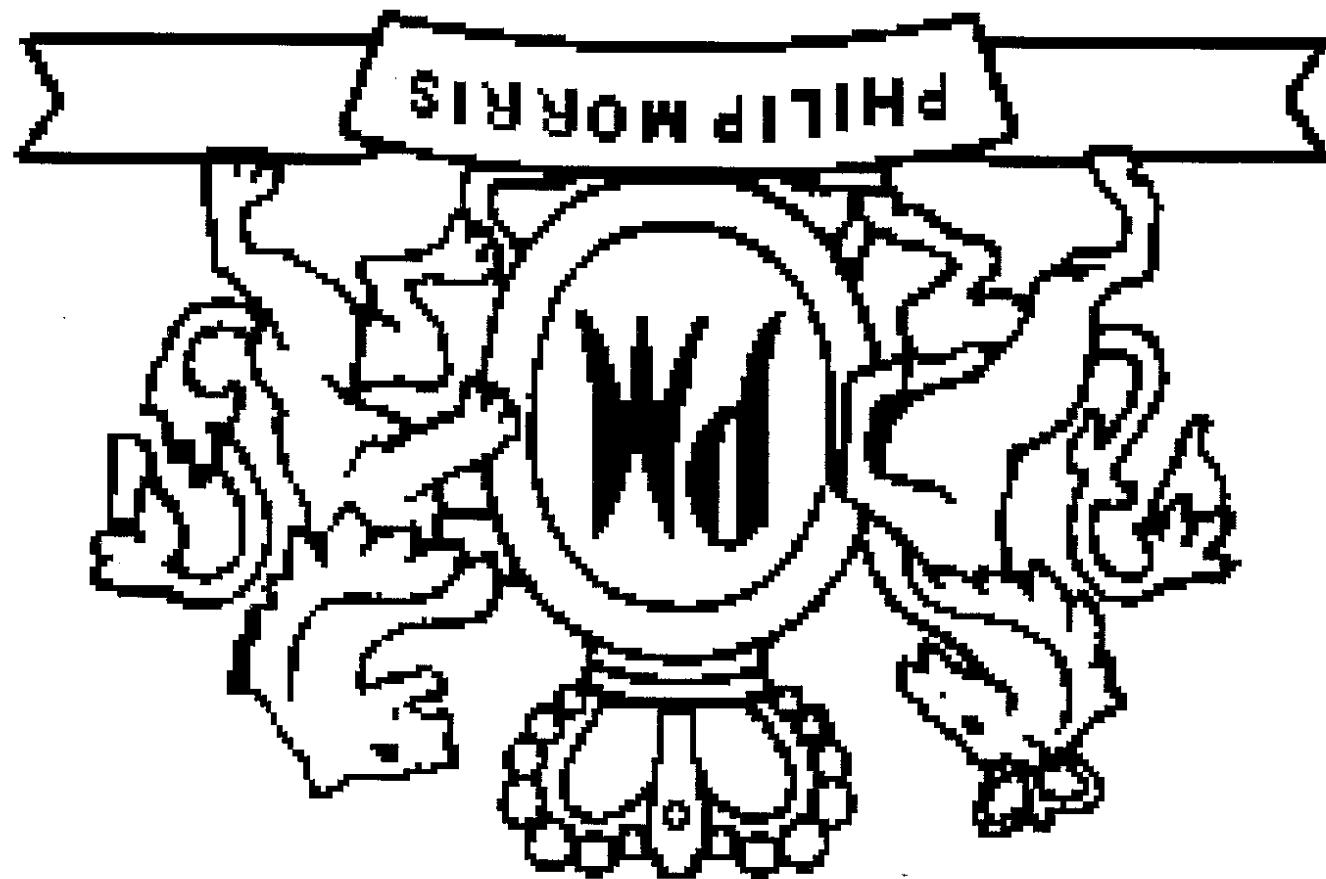


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JANUARY 1997



MONTHLY PROMOTIONS MEETING

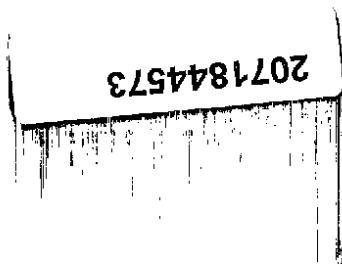
2071844572

MARLBORO HOLIDAY SPECIAL / OFFER

PROGRAM OBJECTIVES/STRATEGIES

Holiday Special (Retail Masters Stores)

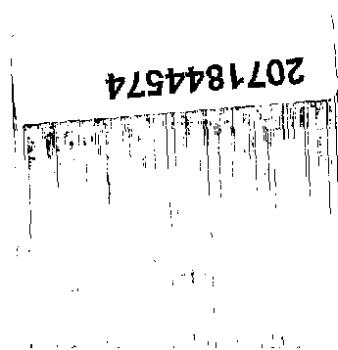
- Reward smokers with a discount of at least 20¢ per pack/\$2.00 per carton on Marlboro during the five week period ending 12/29/96.
- Communicate the offer with supporting POS
- Reward smokers with a complimentary copy of the first issue of the Unlimited-Action magazine via reply cards
- Communicate the magazine offer with POS and reply cards



PROGRAM OBJECTIVES/STRATEGIES (Cont'd)

Holiday Offer (Non Retail Masters Stores)

- Reward smokers with a complimentary copy of the first issue of the Unlimited-Action magazine via reply cards.
- Communicate the magazine offer with POS and reply cards



FIELD SALES OBJECTIVES/RESULTS

OBJECTIVE

- Penetrate 90% of Retail Masters accounts
- Penetrate 50% of Non Retail Masters accounts
- Place POS with price call out in all participating RM stores
- Place reply cards in all participating stores

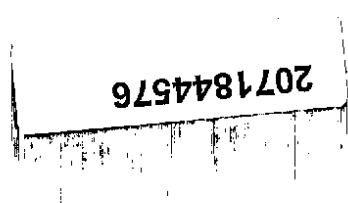
RESULTS

- 81% of Retail Masters stores offered money-off deals
- 24% of Non Retail Masters stores had the magazine offer
- Among RM stores with any money-off, 89% had visible price call-out
- 82% of participating RM stores had the magazine reply cards

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SUMMARY FINDINGS

- Share gains met or exceeded previous Marlboro Money-off programs
- Penetration reached record high level in Retail Masters stores
- Among Retail Masters stores that participated, strong POS penetration was evident (average 3.3 POS items per participating store).
- Competitive promotional response appeared somewhat lower than during the year-end 1995 program



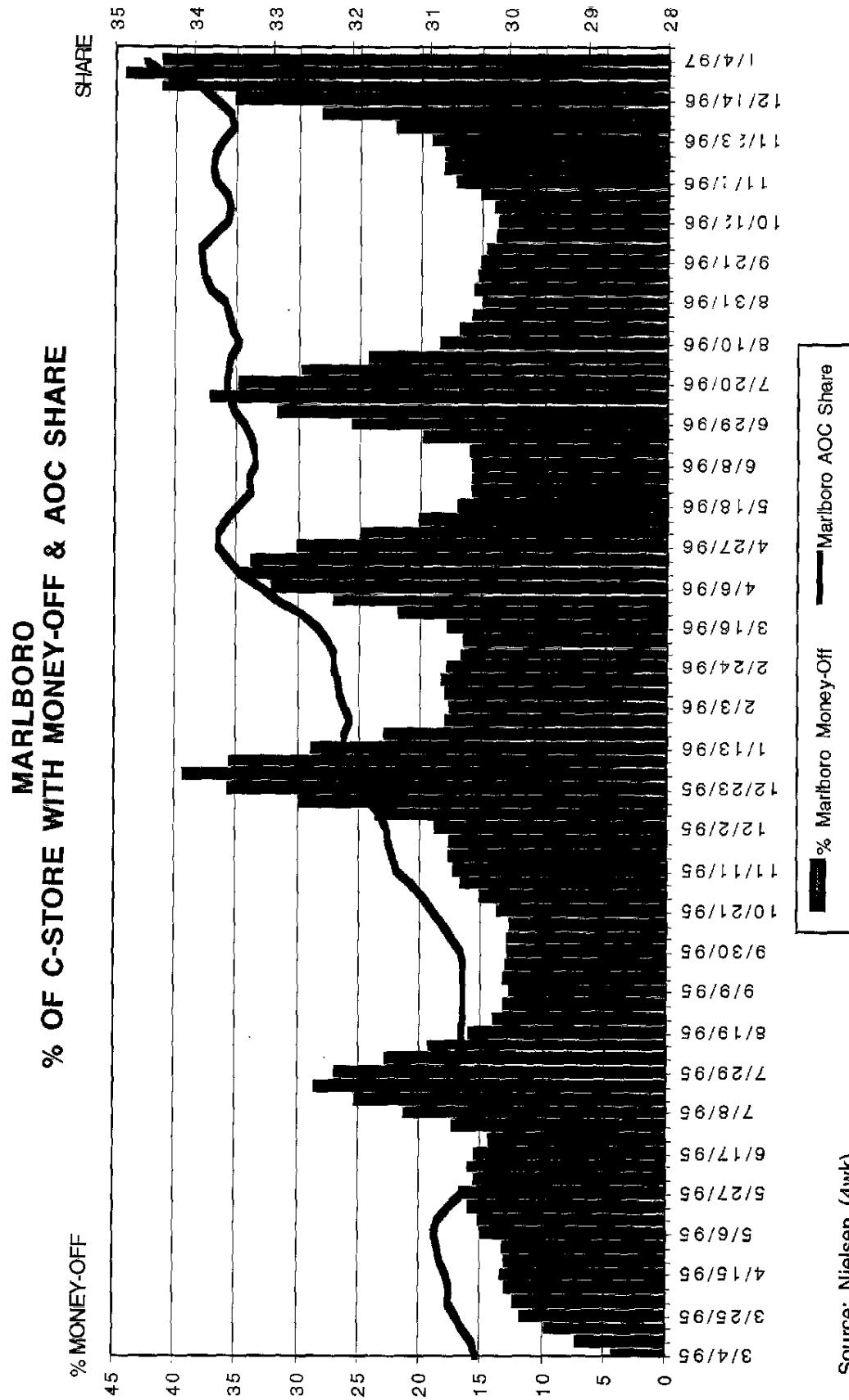
PM-USA

ISSUES/CONCERNS

- Non-Retail Masters penetration
- Utilization of some POS materials & temporary displays
- Gap between communication of price & equity elements (magazine offer)

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PM-USA

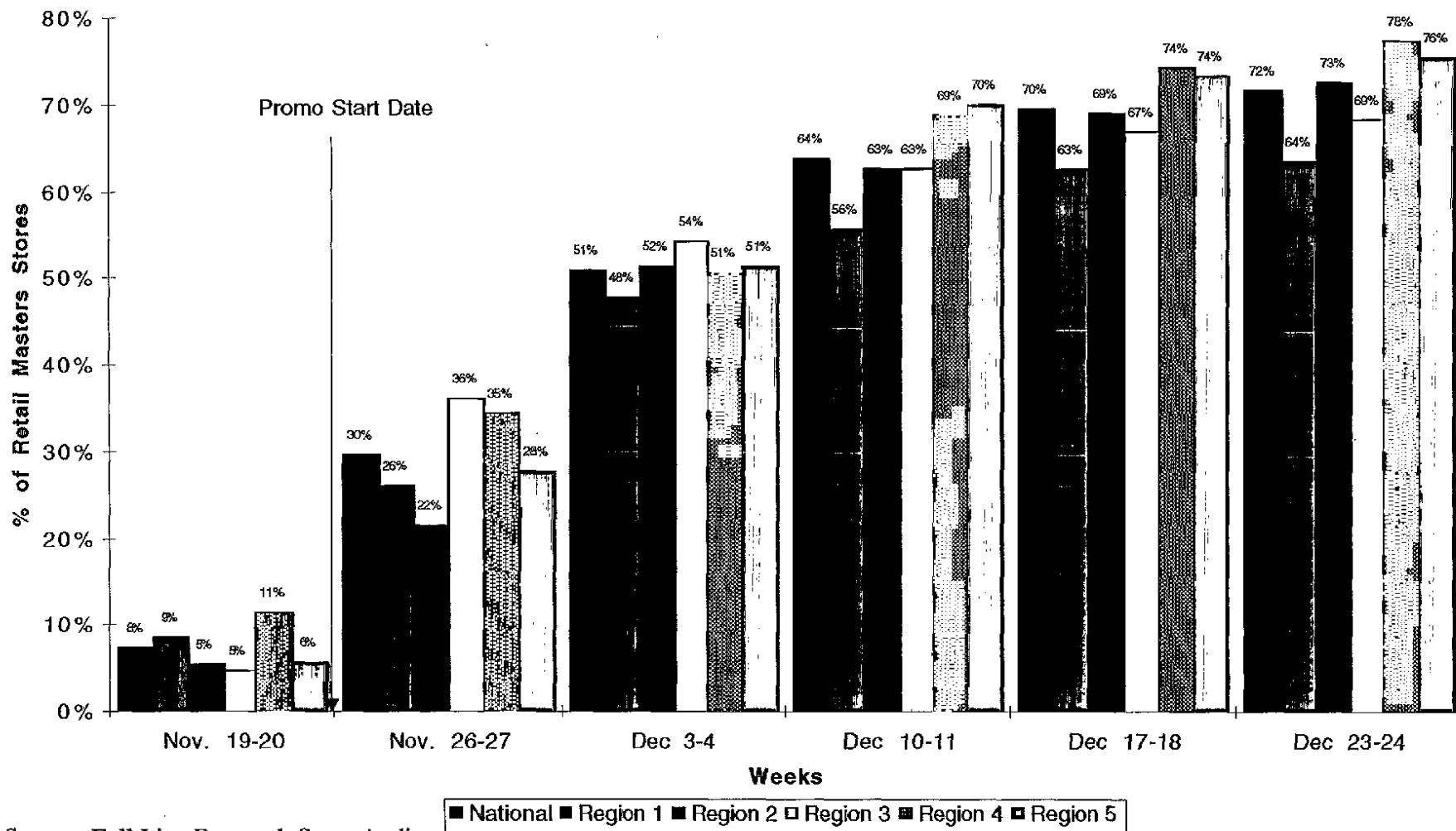


Source: Nielsen (4wk)

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PM-USA

Marlboro Holiday Special - Visible Money Off



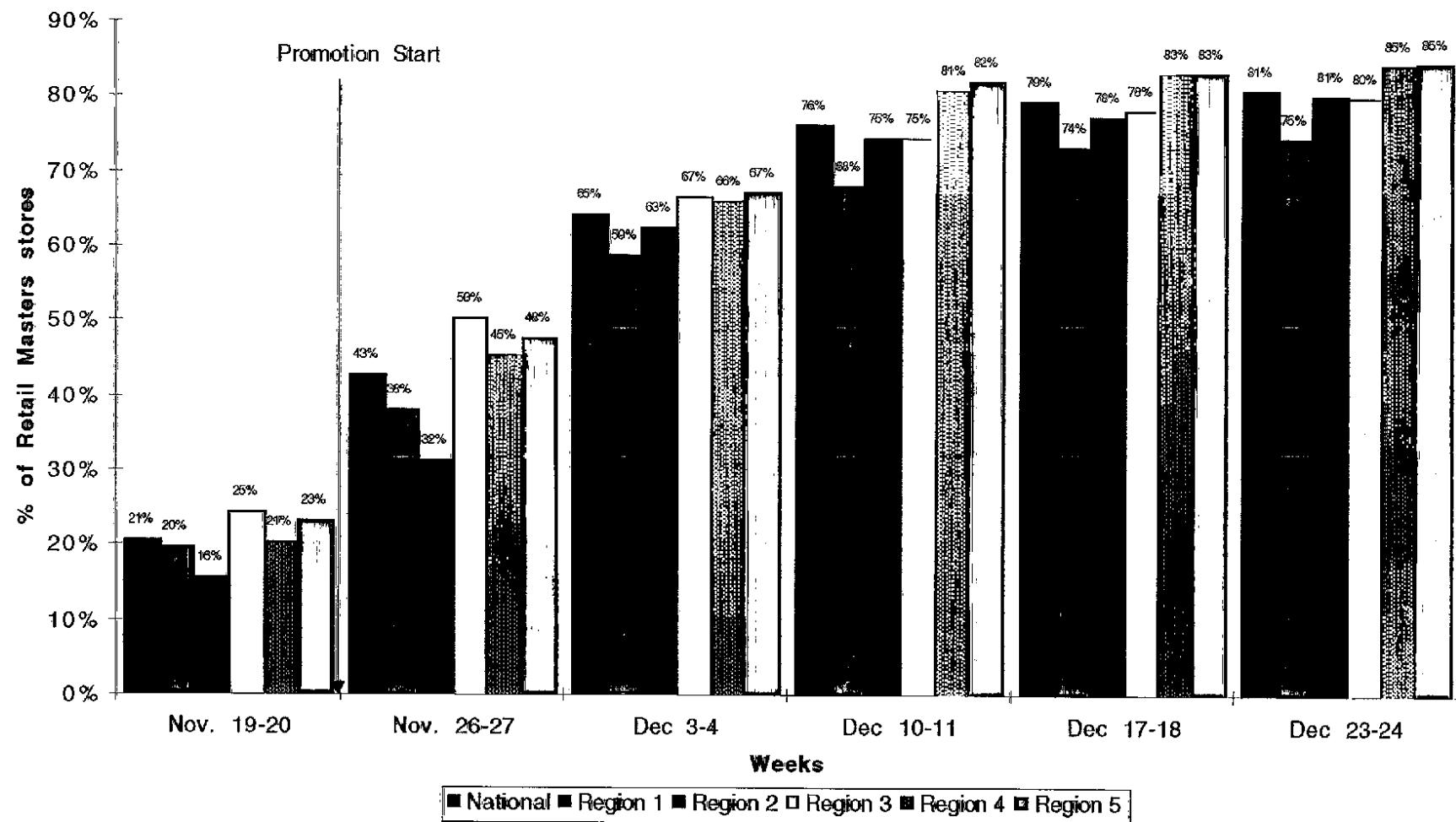
Source: Full Line Research Store Audits

*Denotes RM stores with Holiday Special POS and price reduction communication

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PM-USA

Marlboro Holiday Special - Total Money Off

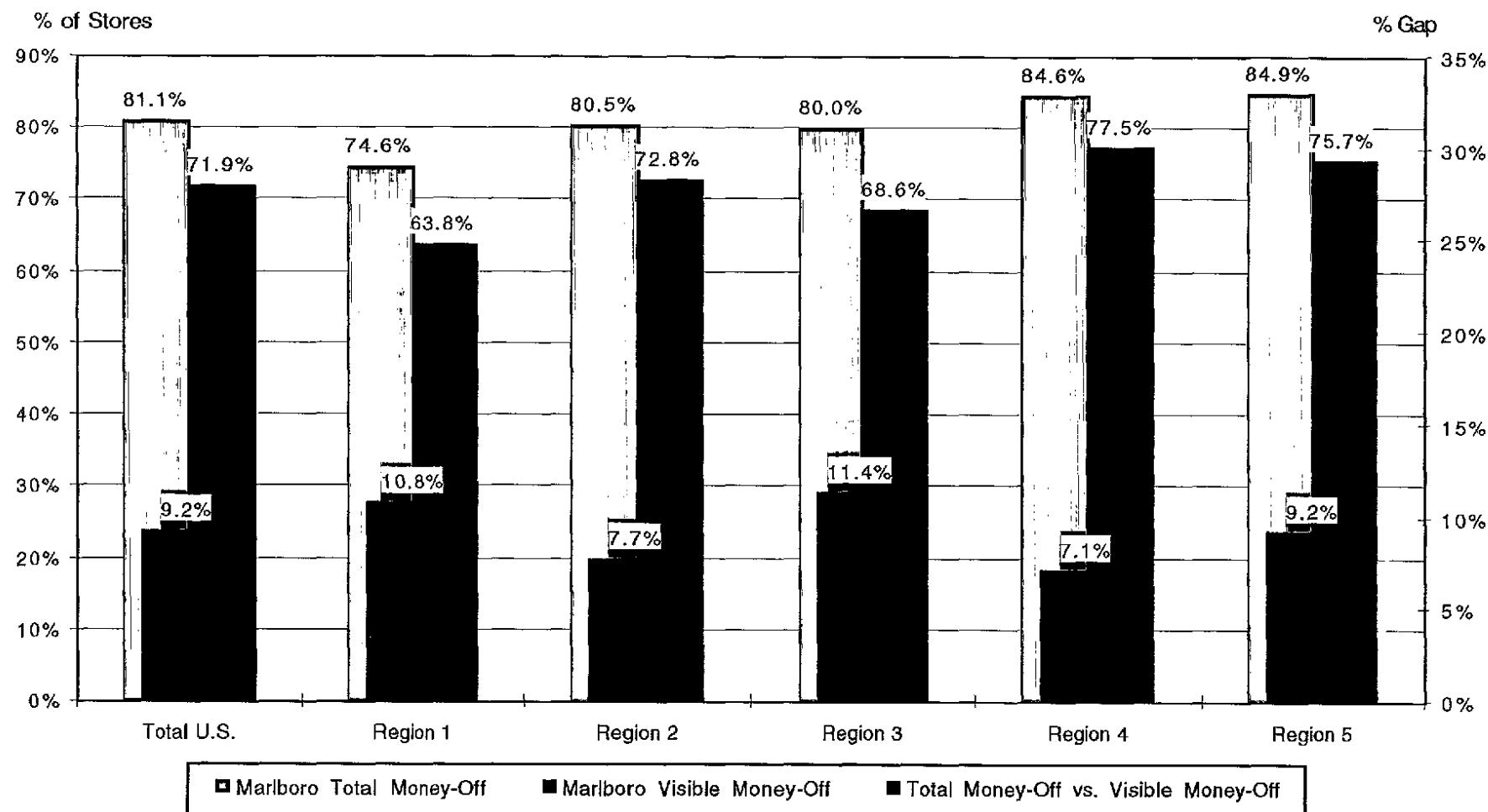


Source: Full Line Research Audits

*Denotes RM stores w/Visible or Quiet Money Off

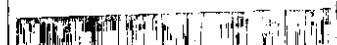
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Marlboro Money-Off Cumulative Incidence Retail Masters Stores

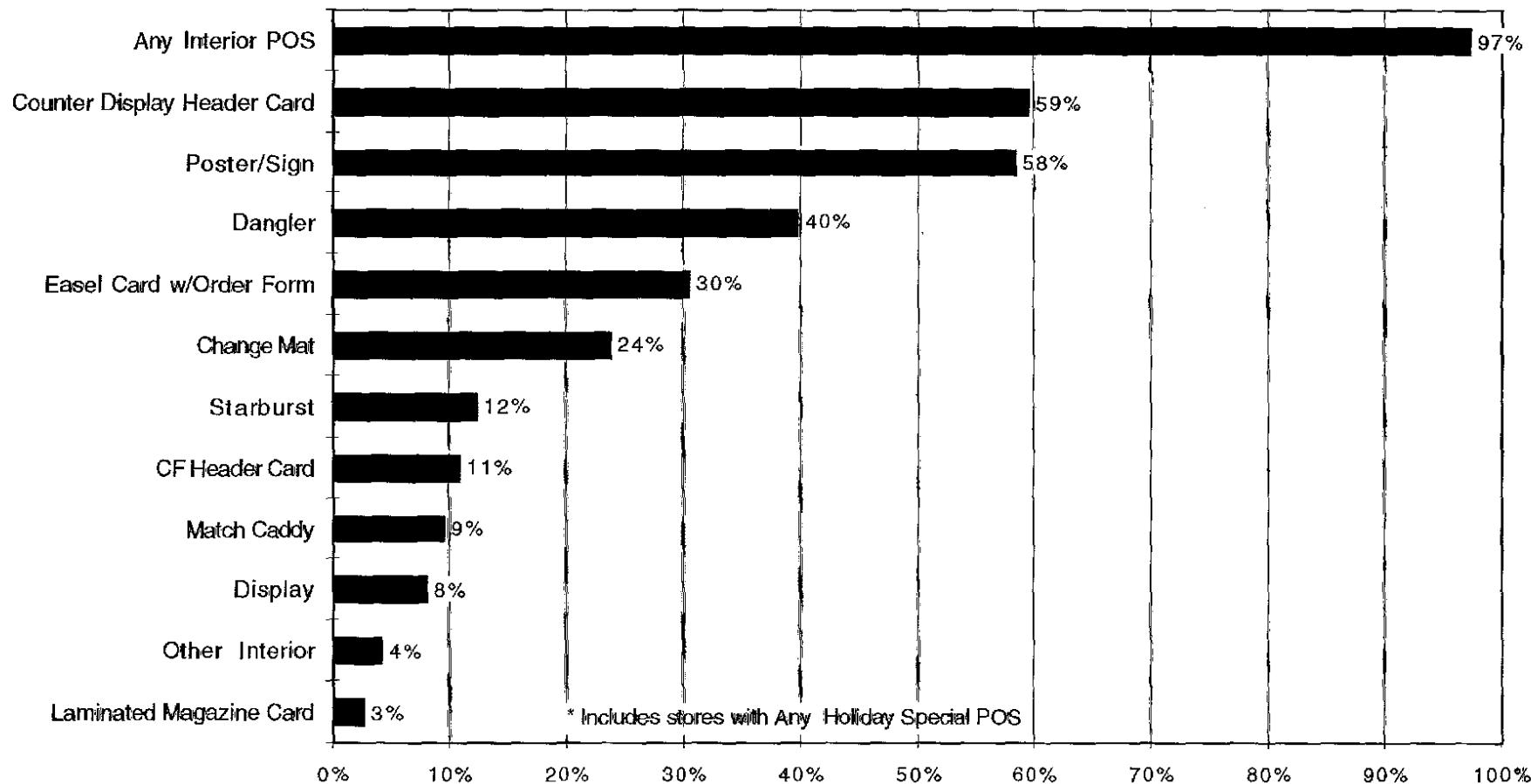


Source: Full Line Research

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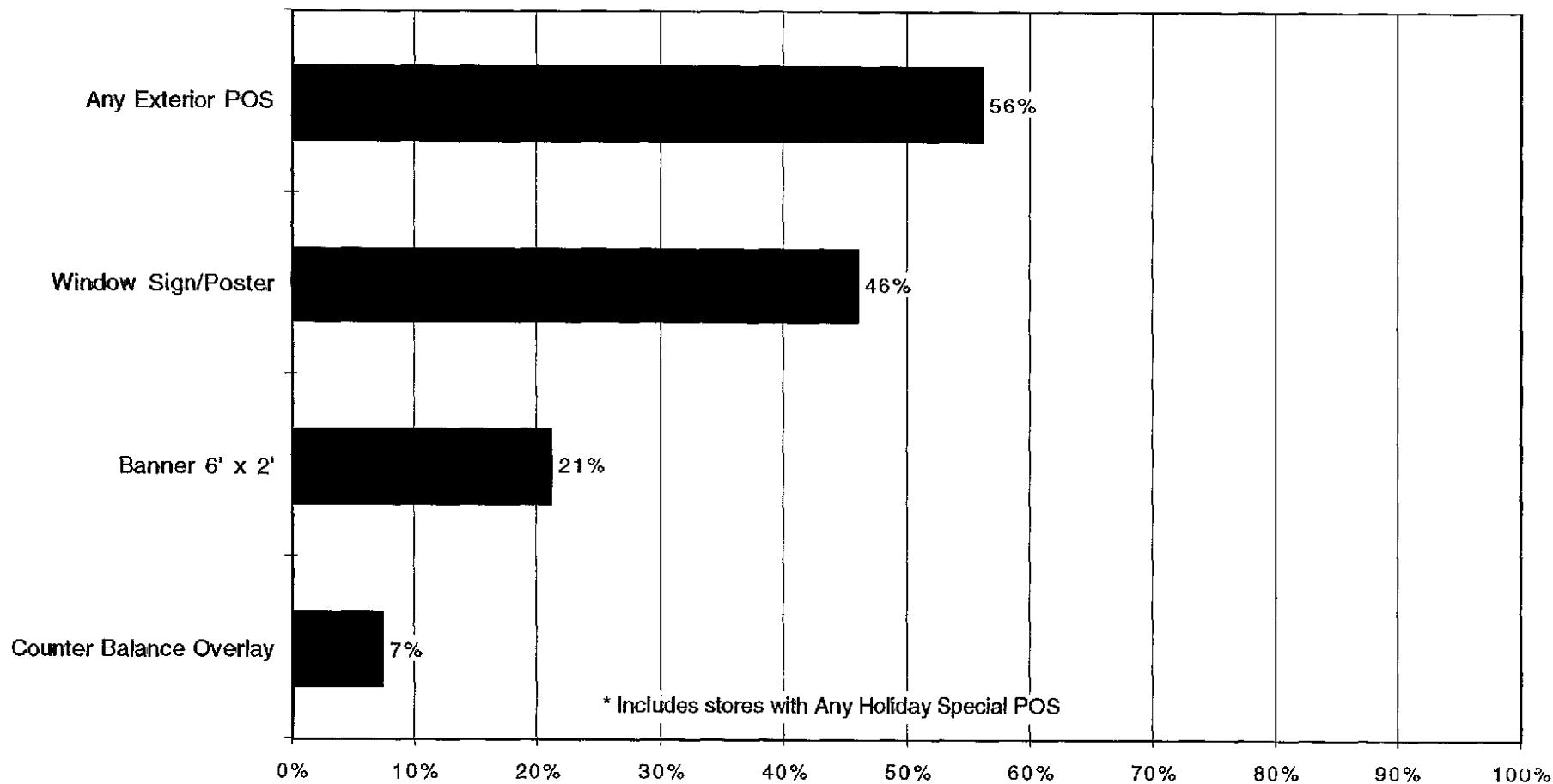
% of Stores with Interior POS Among RM Stores Participating in Holiday Special*



Source: FLR (Cumulative Program Period - Total U.S.)

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% of Stores with Exterior POS Among RM Stores Participating in Holiday Special*

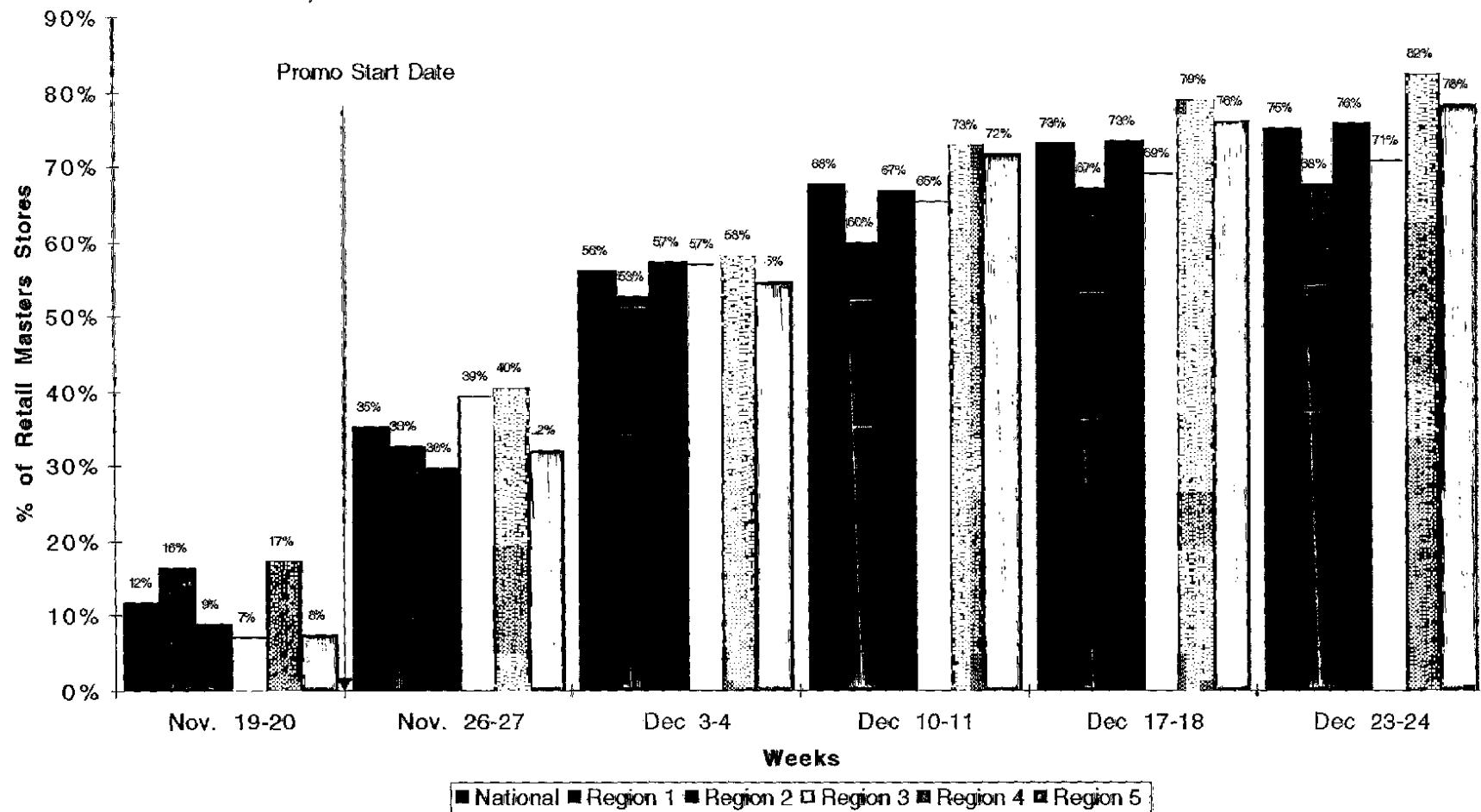


Source: FLR (Cumulative Program Period - Total U.S.)

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Marlboro Holiday Special POS - Retail Masters



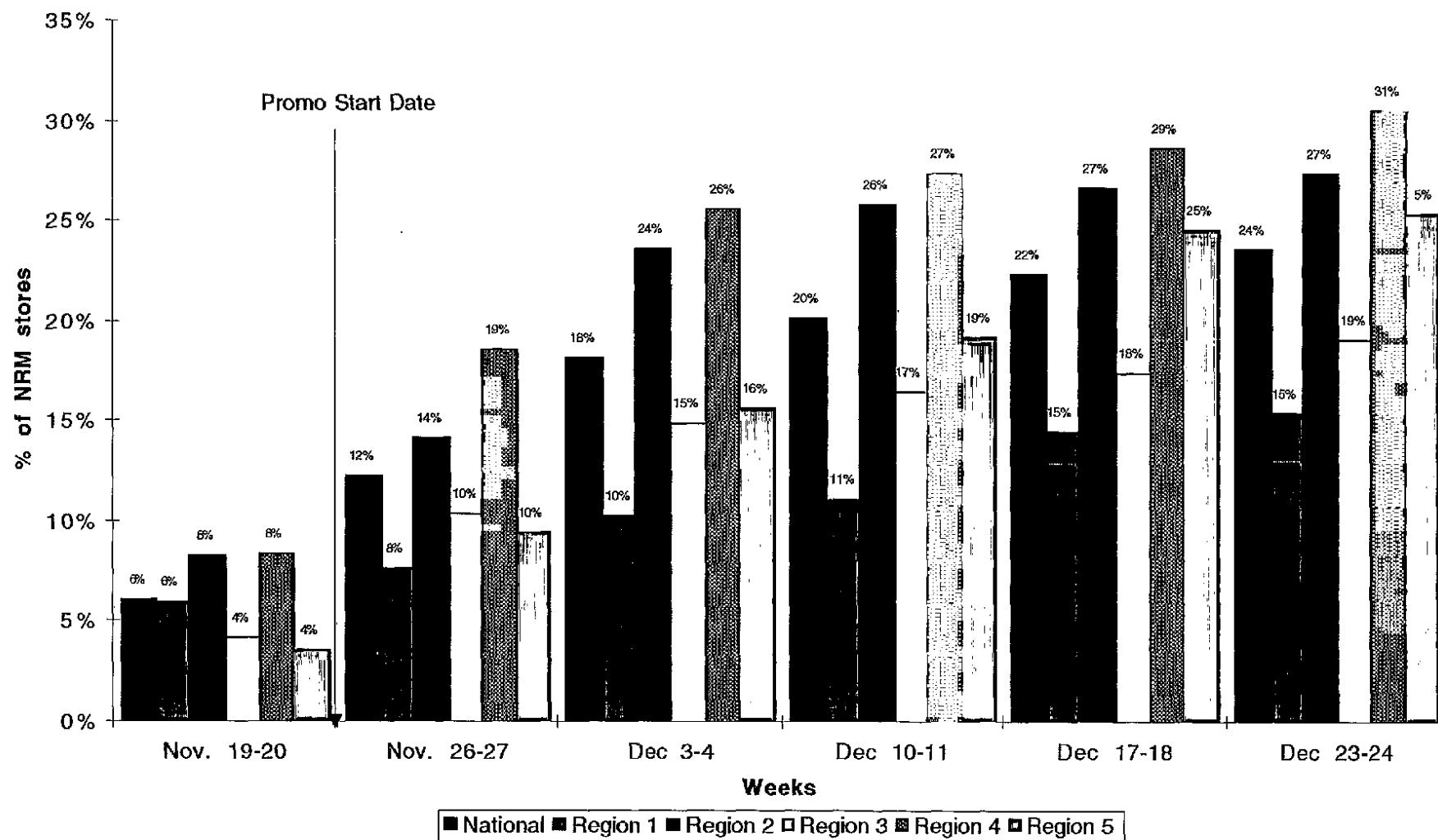
Source: Full Line Research Store Audits

*Denotes RM stores with Marlboro Holiday Special POS

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PM-USA

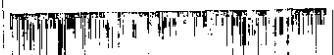
Marlboro Holiday Offer - Non Retail Masters Stores



Source: Full Line Research Store Audits

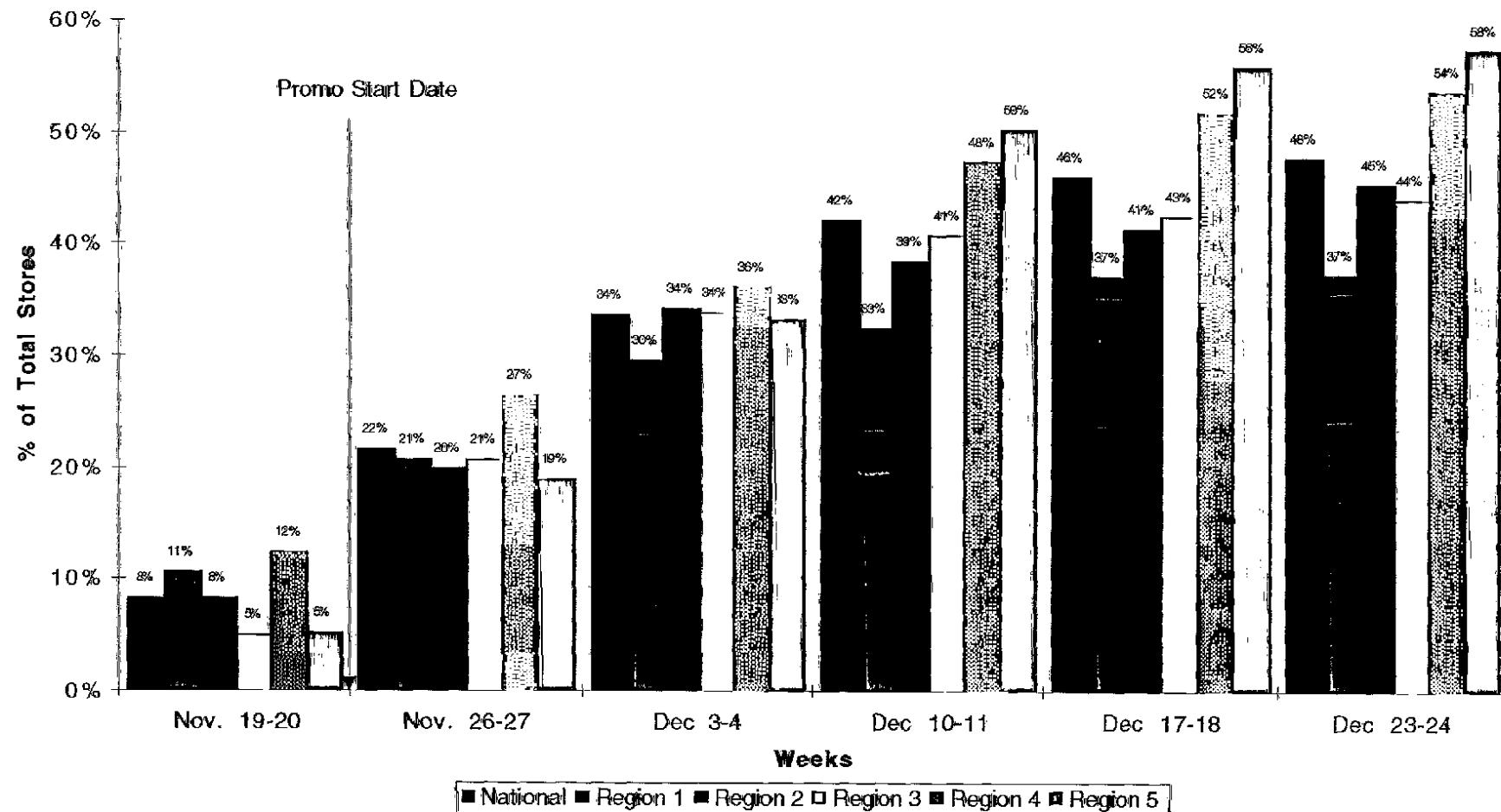
*Denotes NRM stores with any Marlboro Holiday Offer POS and Magazine order forms

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PM-USA

Unlimited Magazine Order Forms

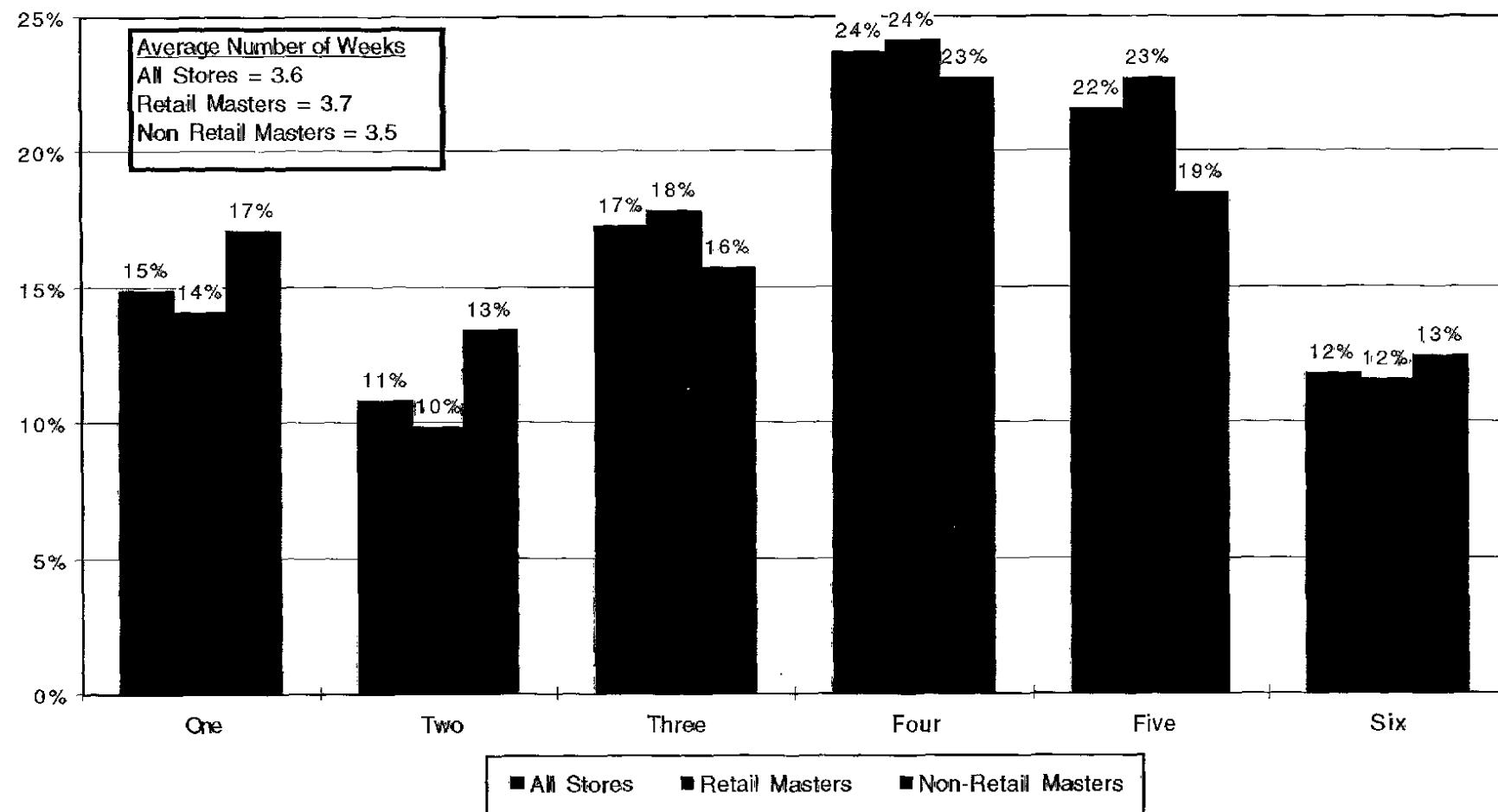


Source: Full Line Research Weekly Store Audits

*Denotes All stores with Marlboro Unlimited Magazine Order Forms

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Number of Weeks Magazine Forms Were Available Among All Stores with Magazine Forms

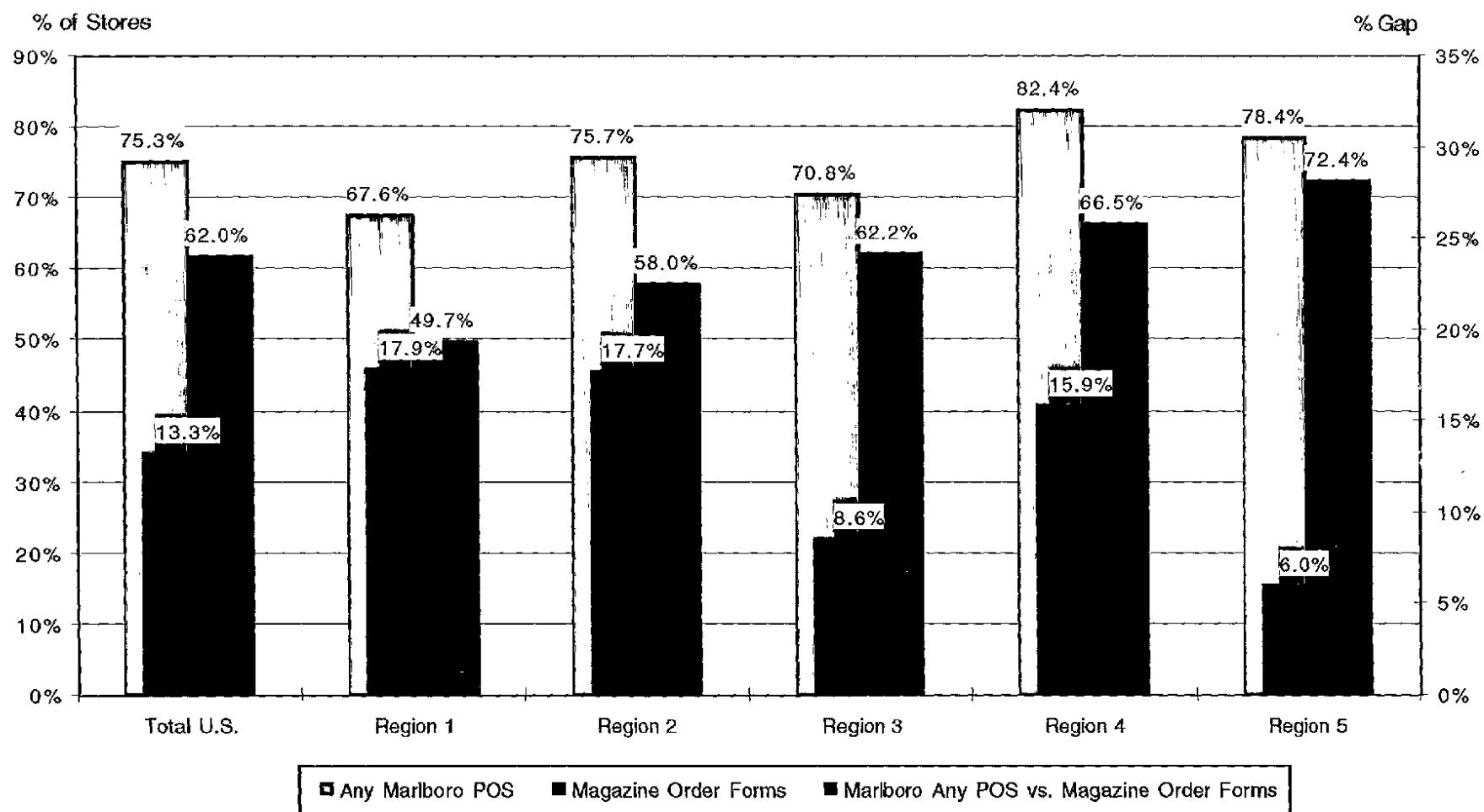


Source: FLR (Total U.S.)

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Marlboro Holiday Special POS versus Magazine Order Forms Cumulative Incidence Retail Masters Stores

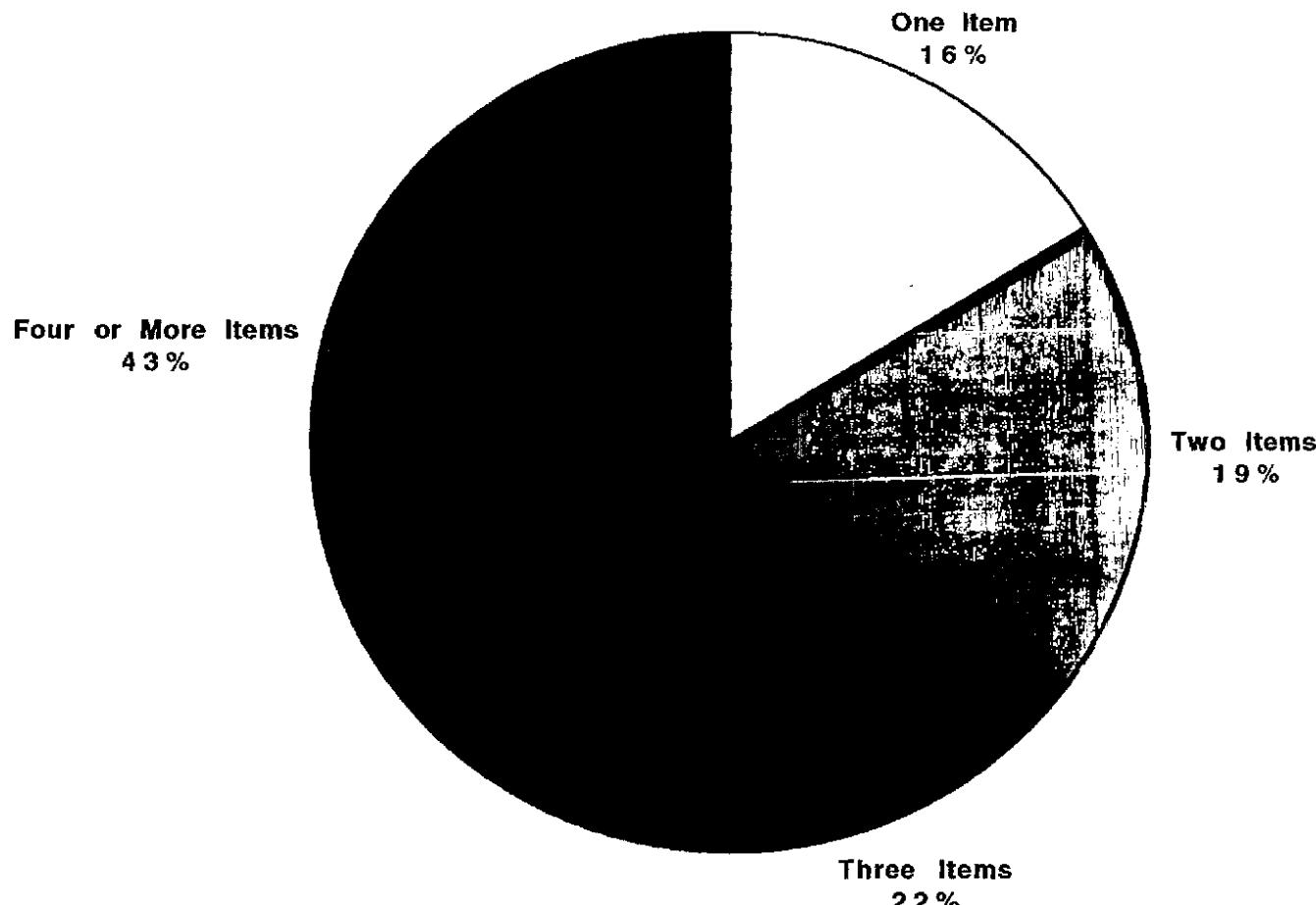


Source: Full Line Research

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Number of Marlboro POS Items per Store Among RM Stores with any Holiday Special POS

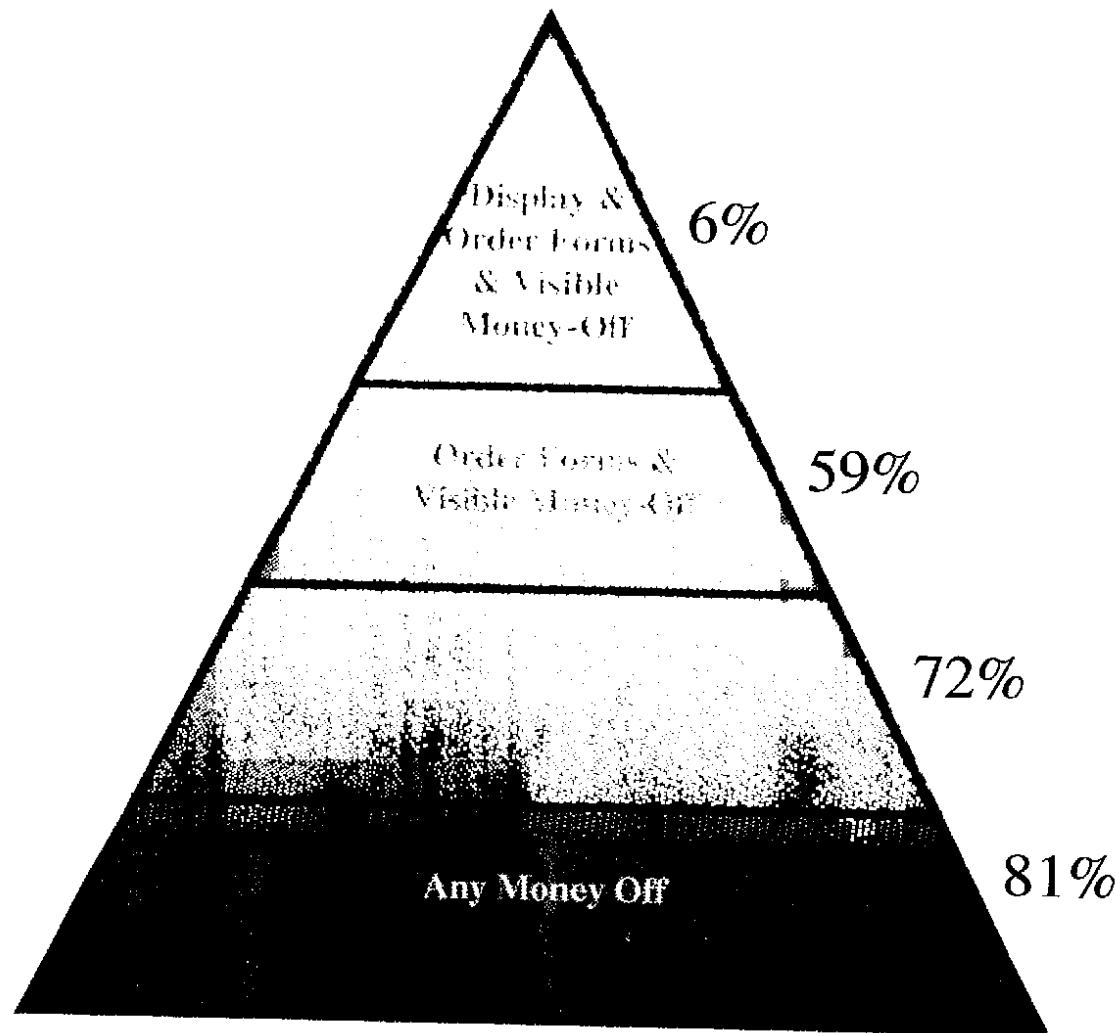


Source: FLR (Cumulative Program Period - Total U.S.)

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RETAIL IMPLEMENTATION PYRAMID

(% of Retail Masters Stores)



Source: Full Line Research

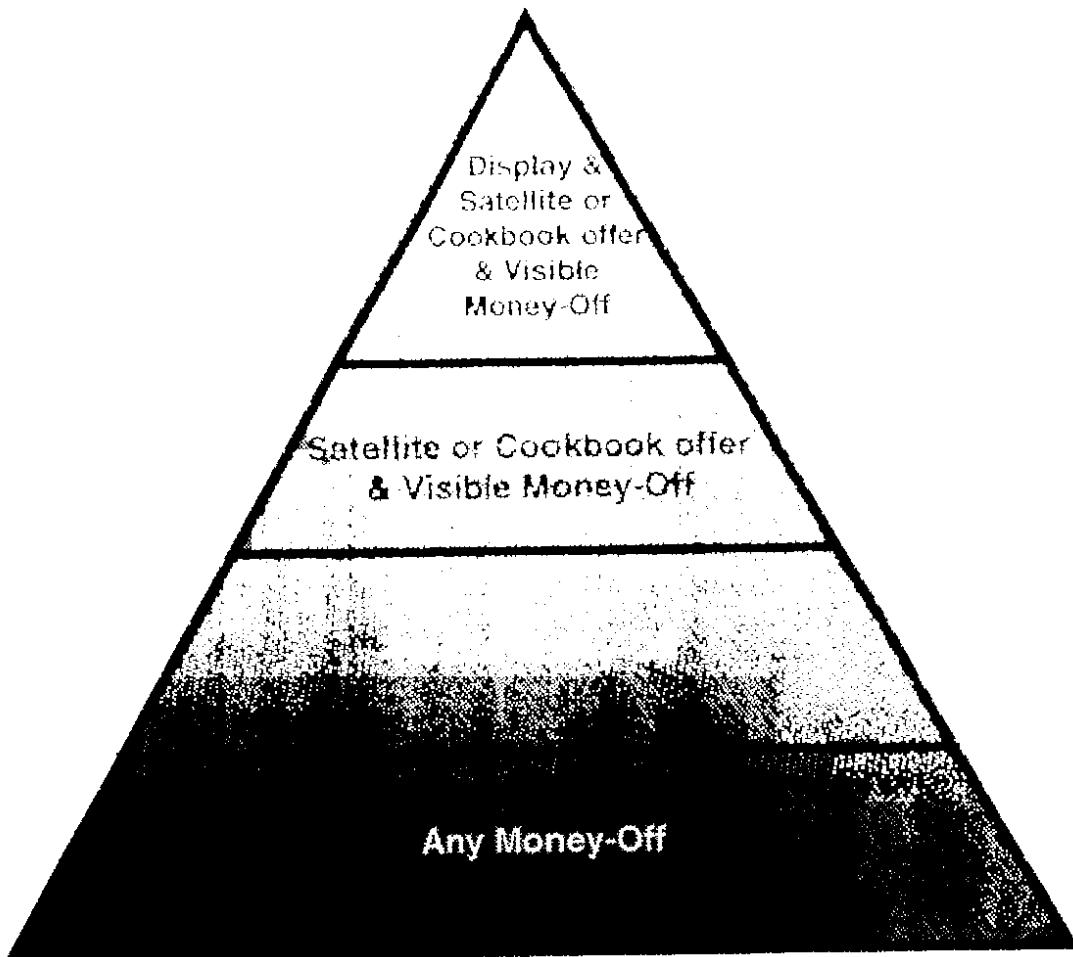
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RETAIL IMPLEMENTATION - MUBSS

(% of Retail Masters Stores)

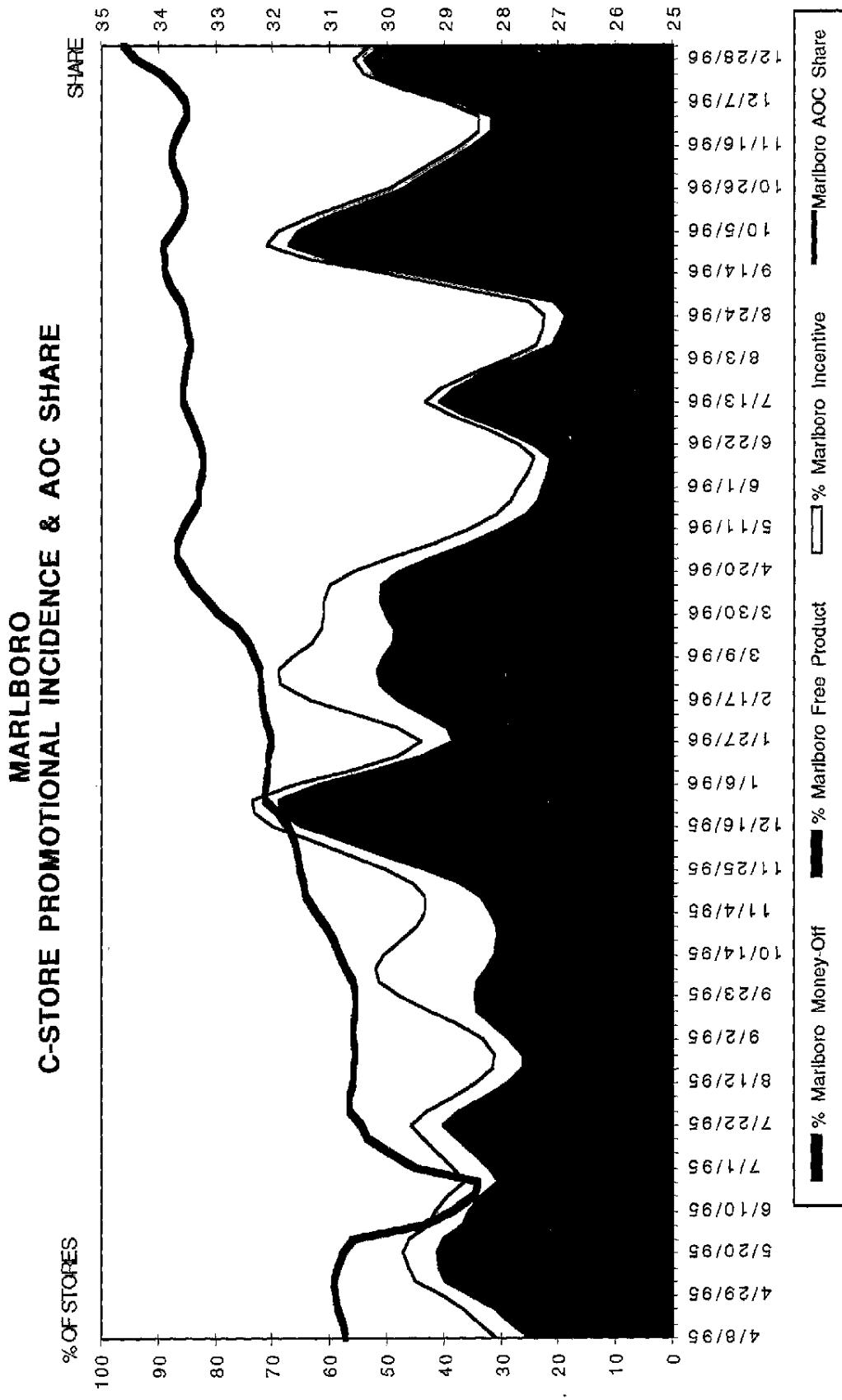


Source: Full Line Research

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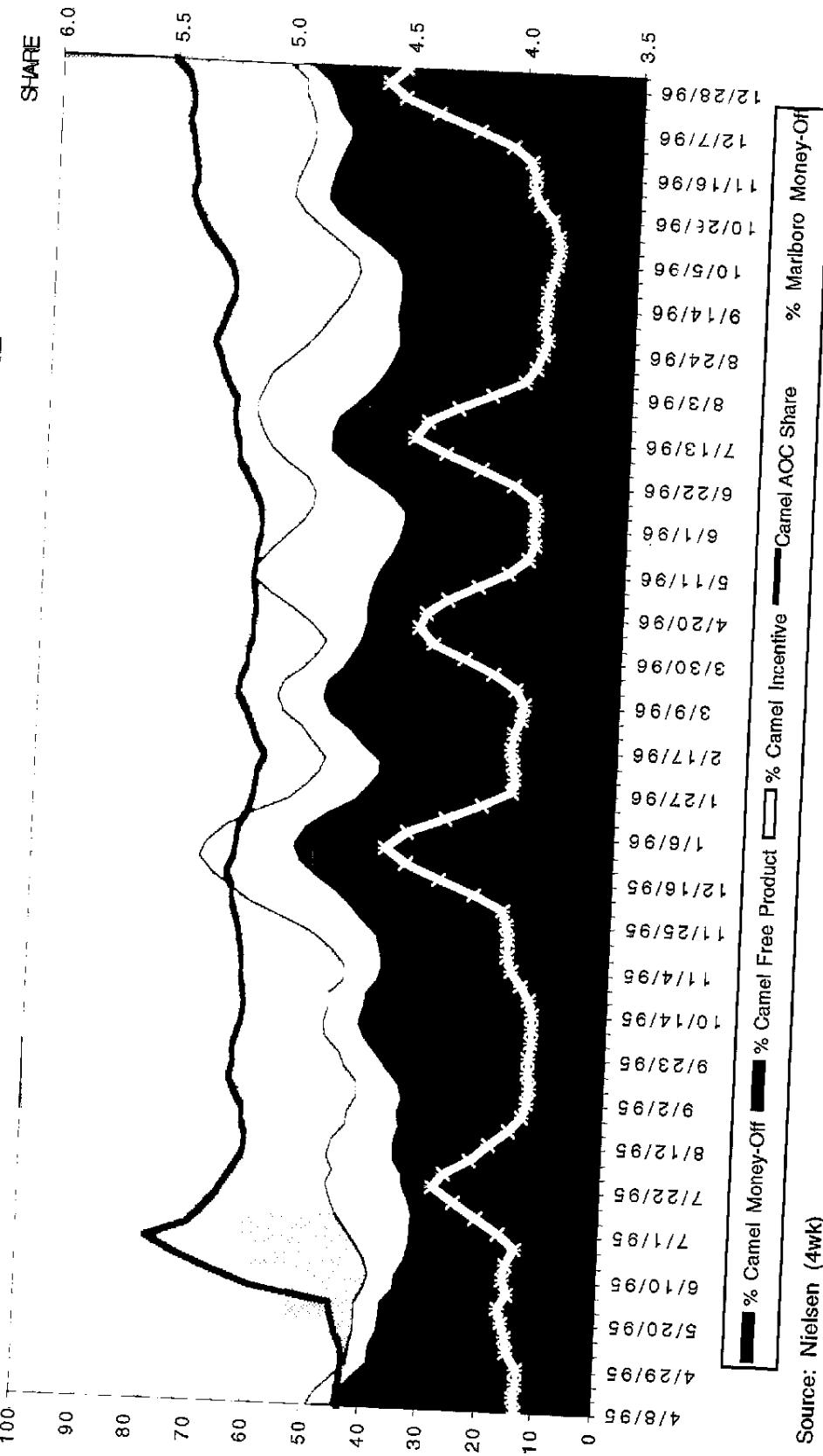


Source: Nielsen (4wk)

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PM-USA

CAMEL C-STORE PROMOTIONAL INCIDENCE & AOC SHARE

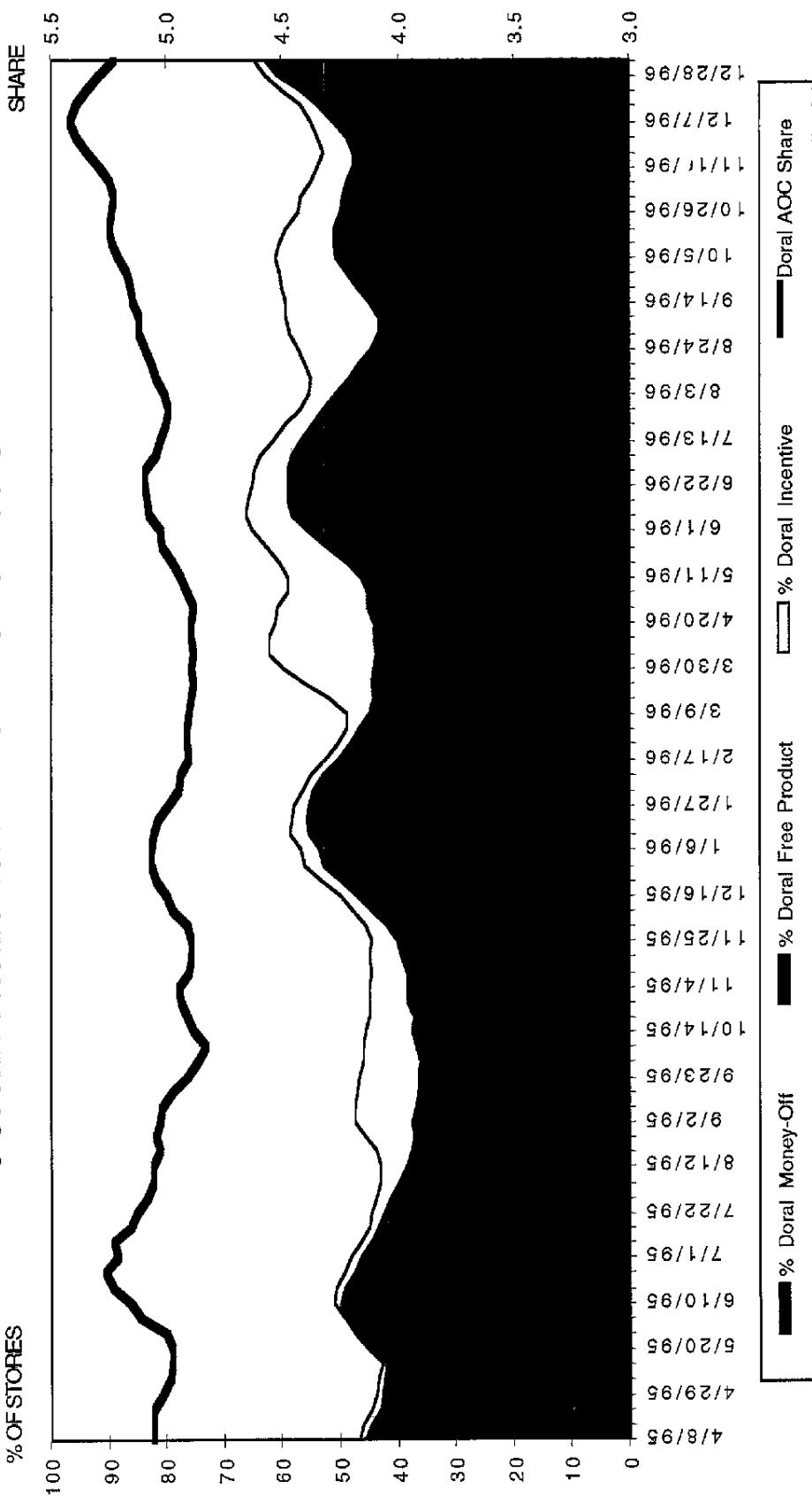


Source: Nielsen (4wk)

2071844593

PM-USA

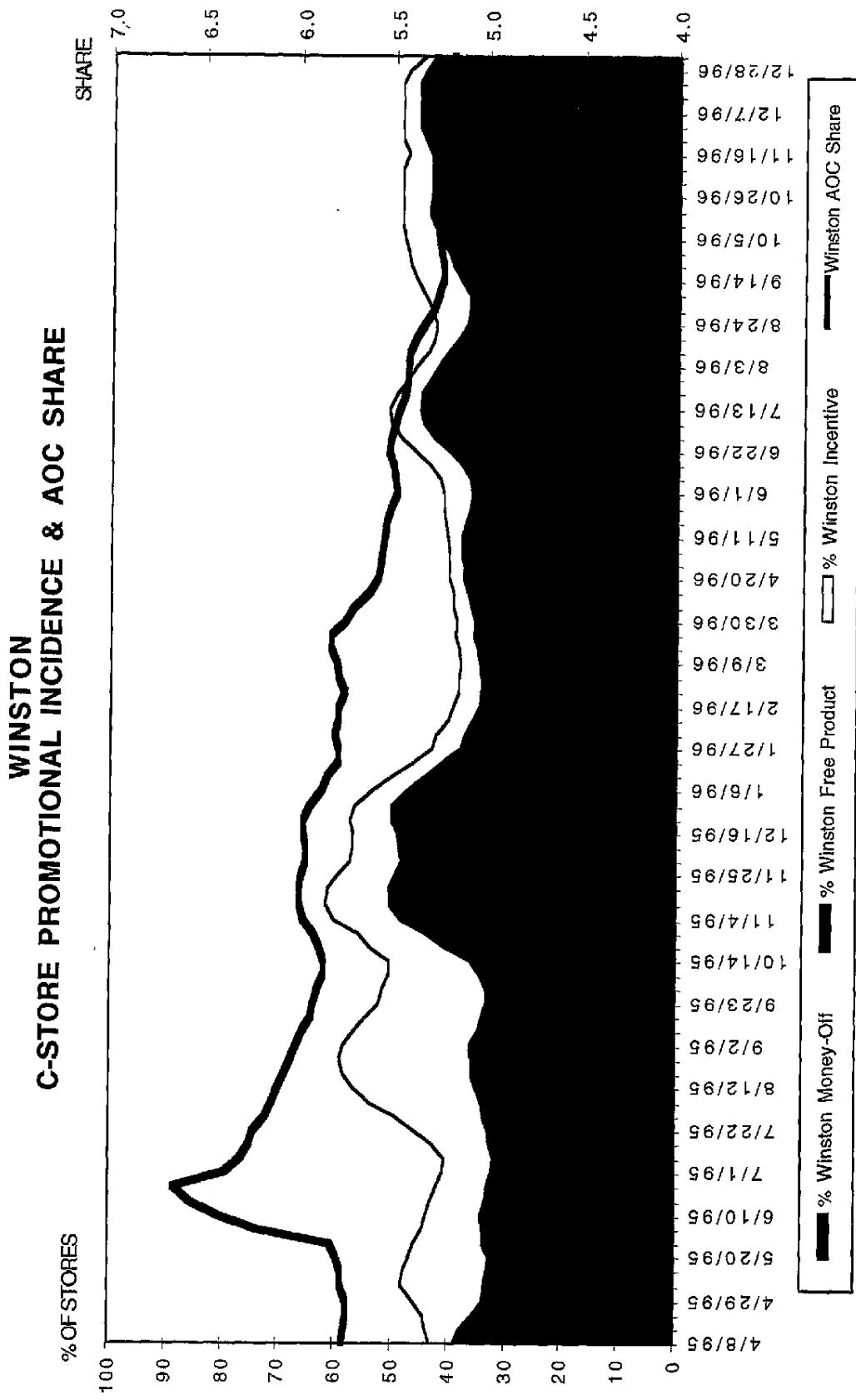
DORAL C-STORE PROMOTIONAL INCIDENCE & AOC SHARE



Source: Nielsen (4wk)

2071844594

PMI-USA

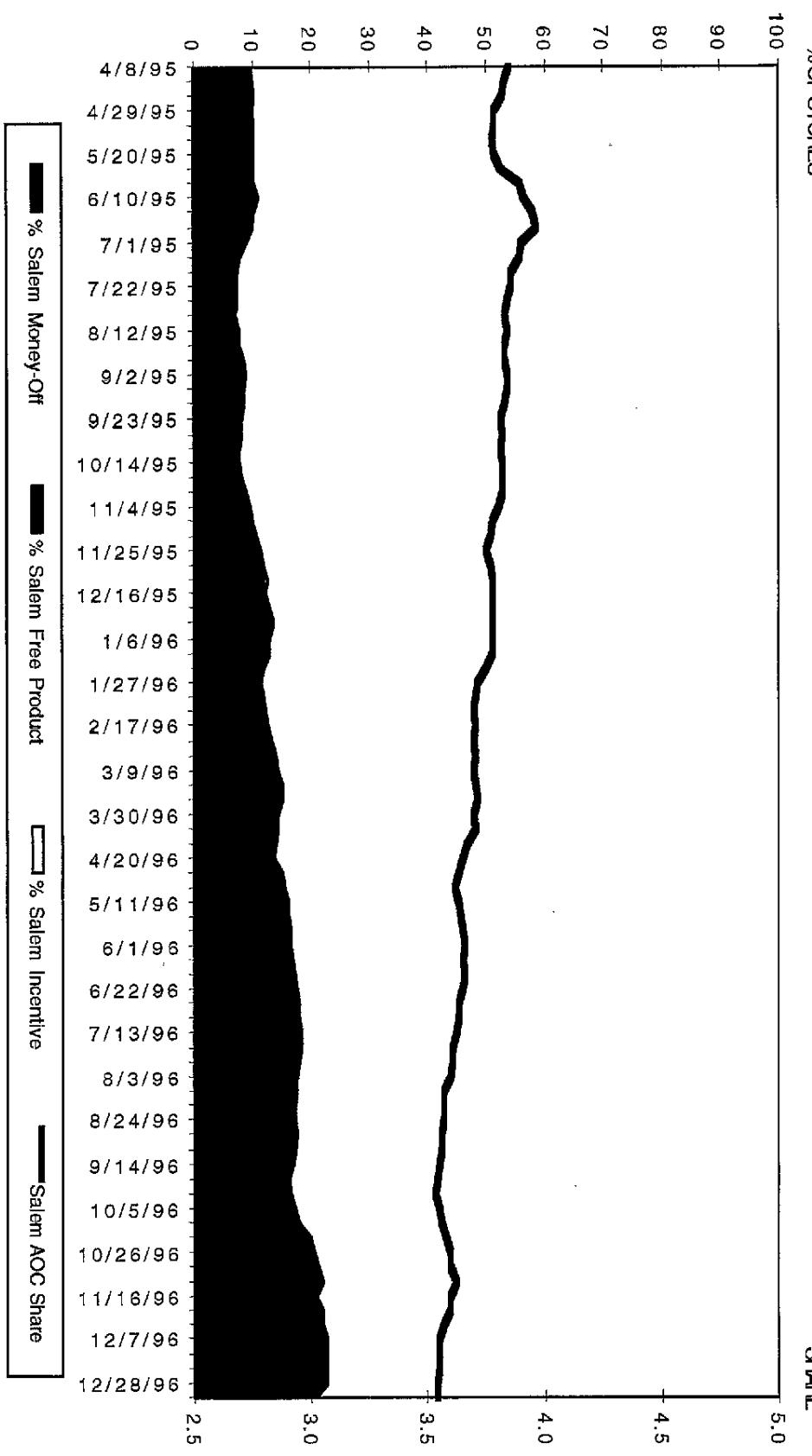


Source: Nielsen (4wk)

2071844595

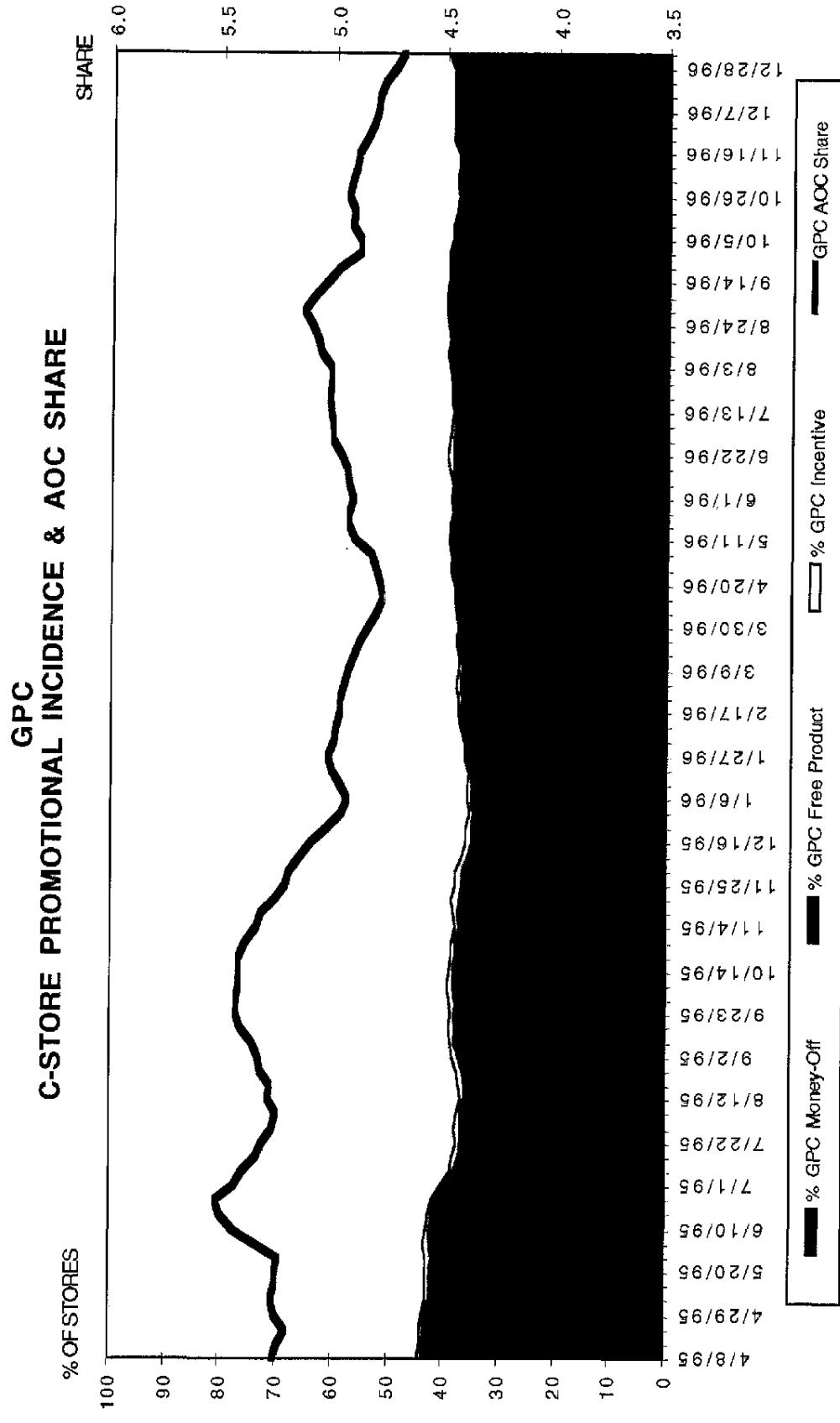
PM-USA

SALEM C-STORE PROMOTIONAL INCIDENCE & AOC SHARE



Source: Nielsen (4wk)

207184596

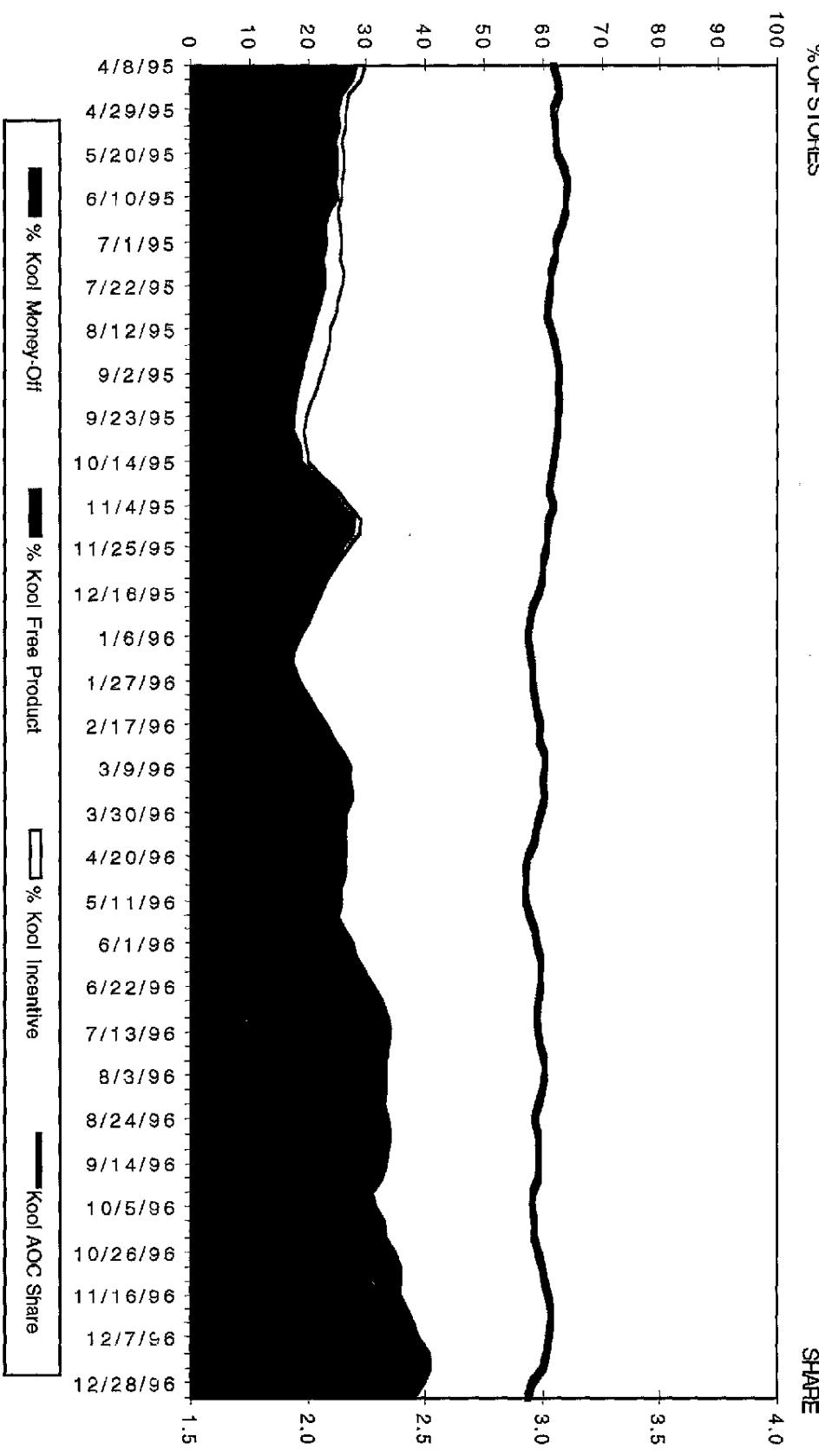


Source: Nielsen (4wk)

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PM-USA

KOOL C-STORE PROMOTIONAL INCIDENCE & AOC SHARE

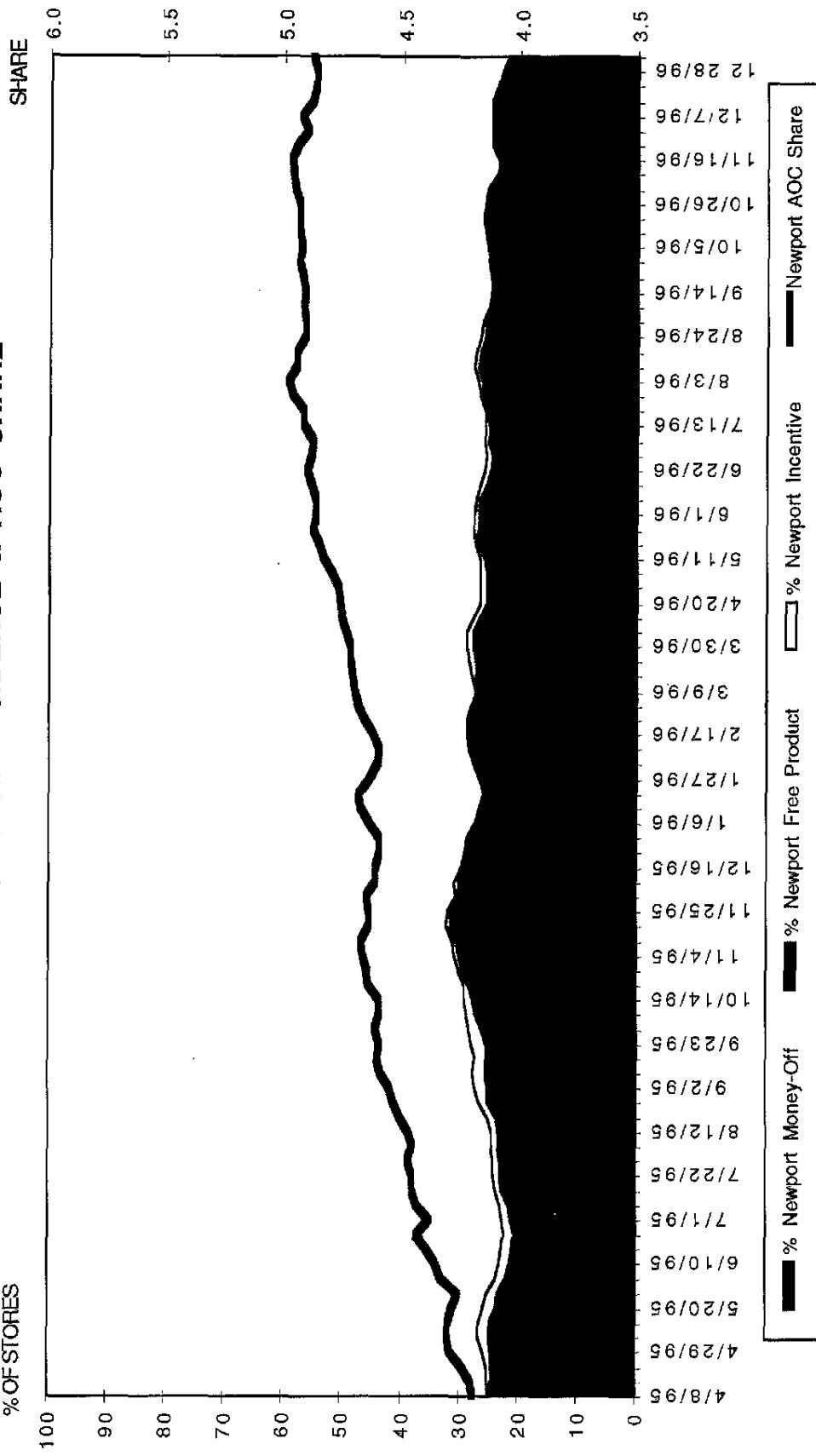


Source: Nielsen (4wk)

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PM-USA

NEWPORT C-STORE PROMOTIONAL INCIDENCE & AOC SHARE

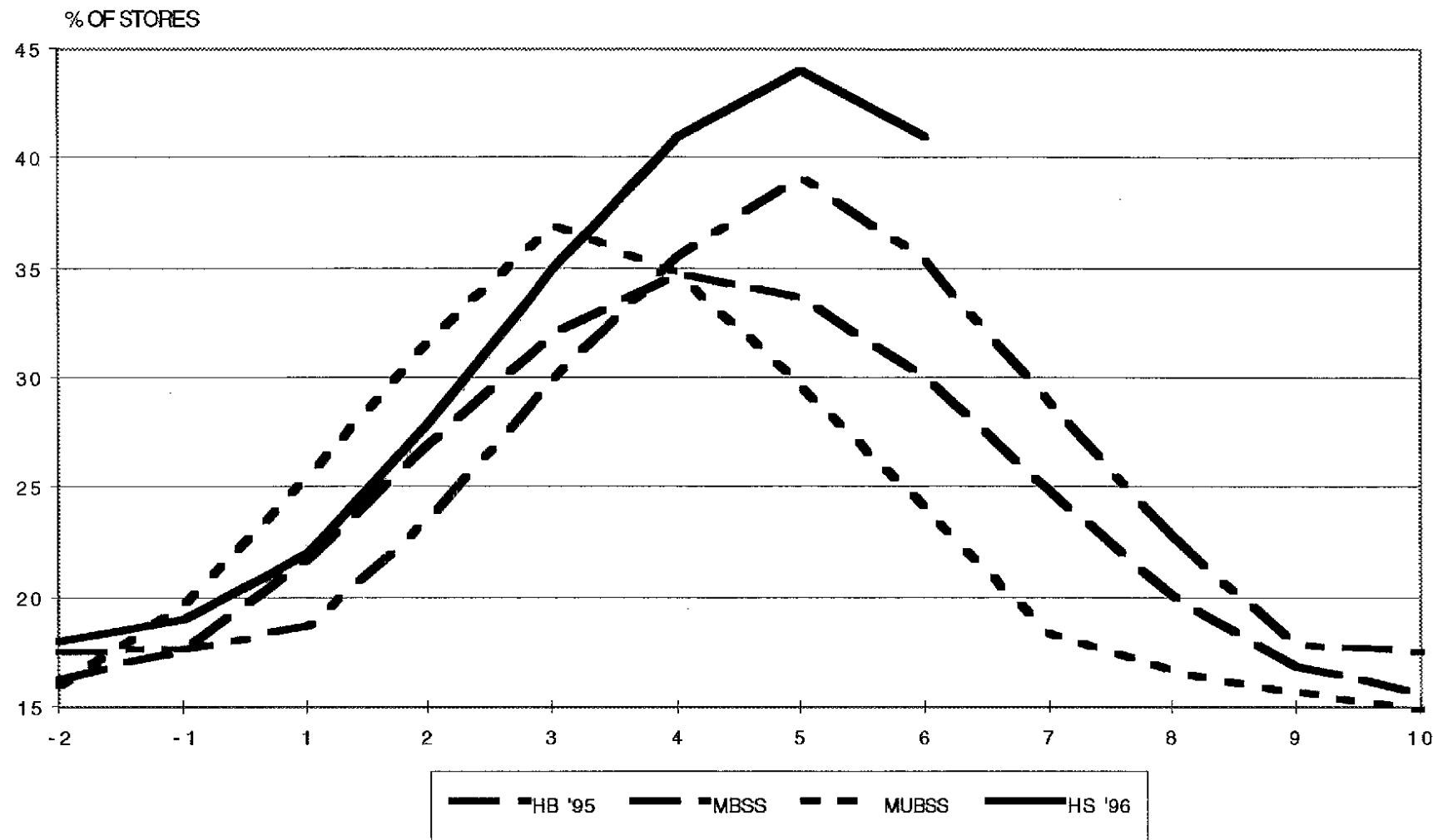


Source: Nielsen (4wk)

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PM-USA

MARLBORO % OF C-STORES WITH MONEY-OFF



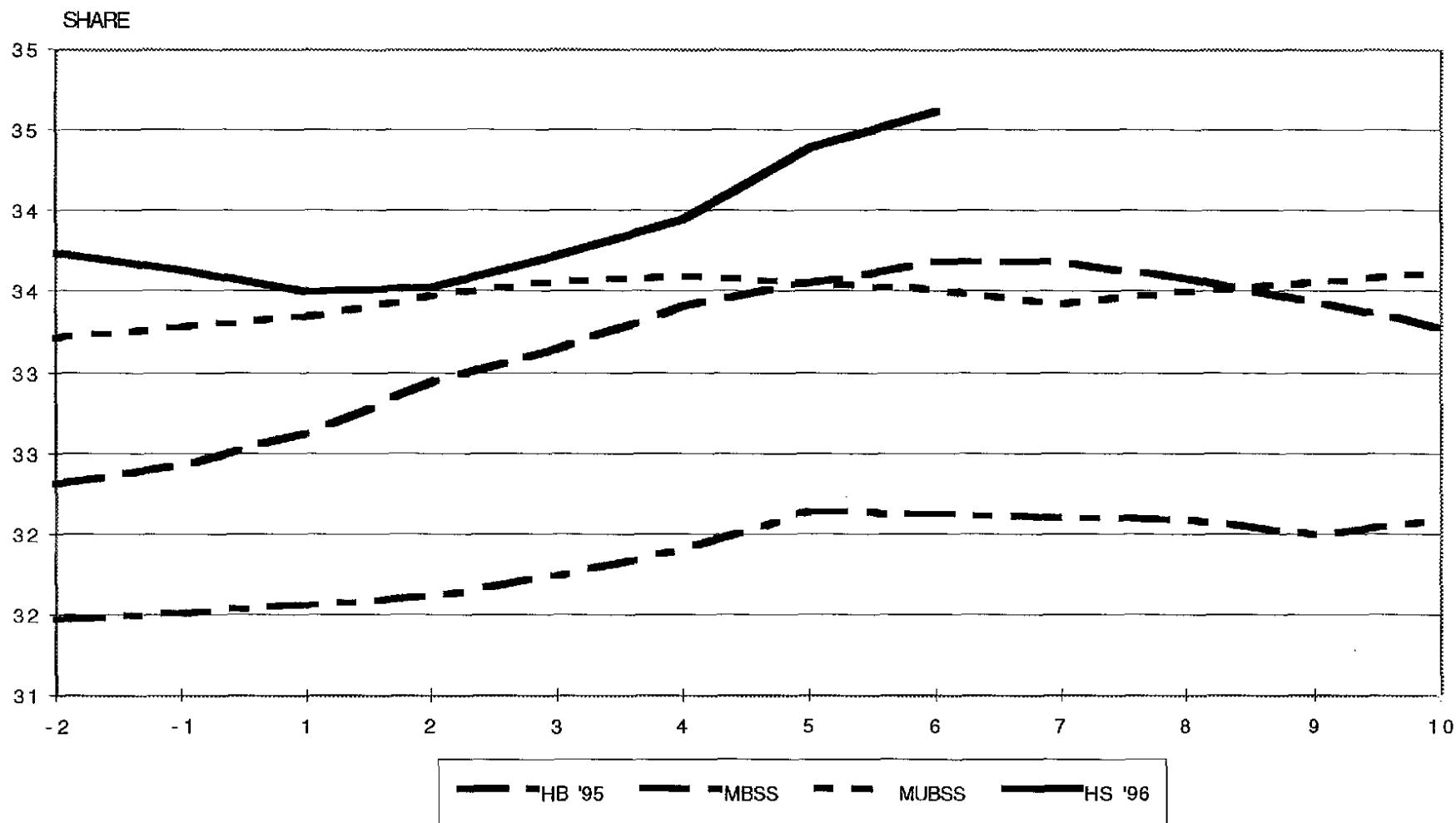
Source: Nielsen (4wk)

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PM-USA

MARLBORO FOUR WEEK MOVING SHARE AOC

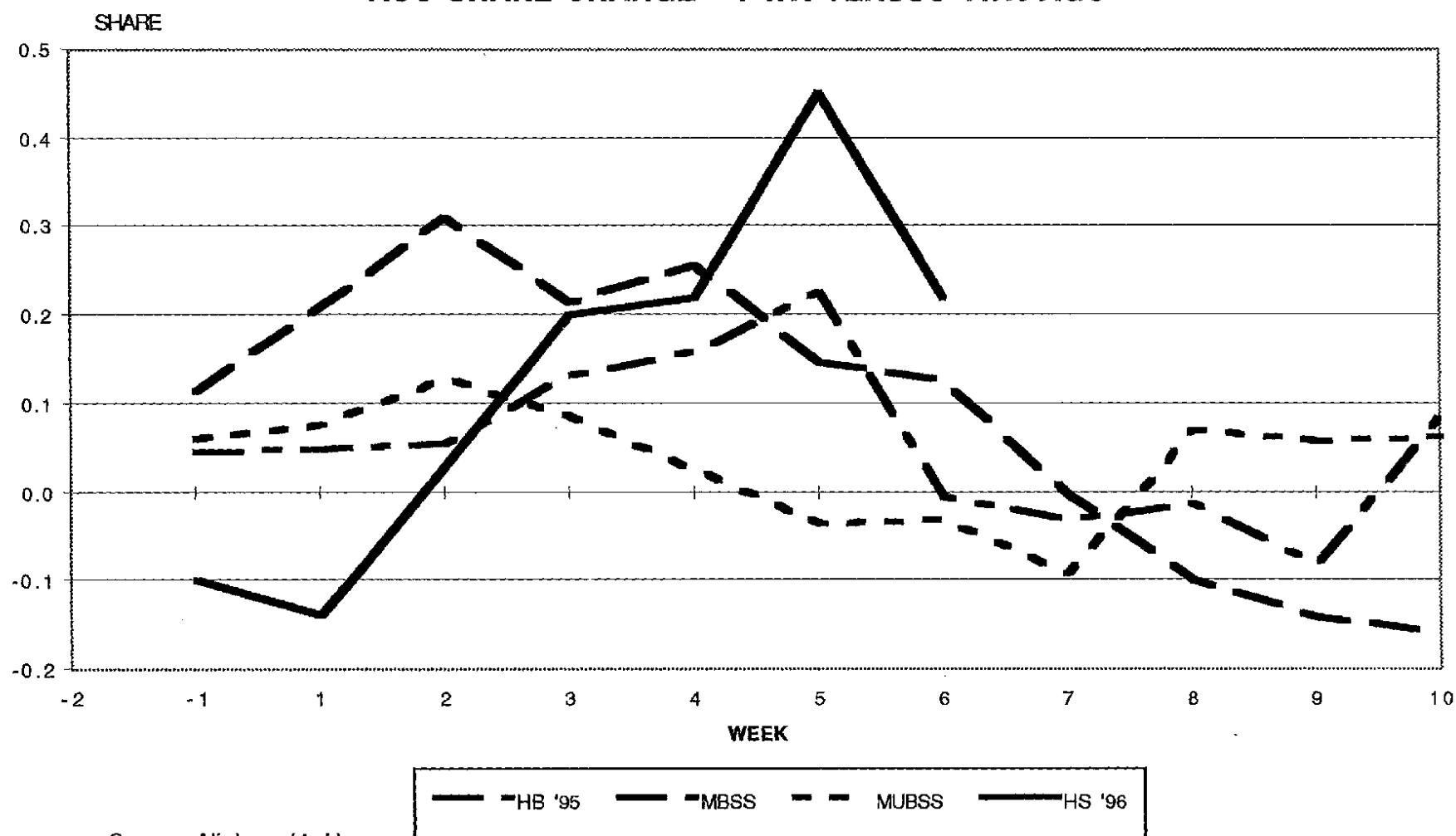


Source: Nielsen (4wk)

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PM-USA

MARLBORO
AOC SHARE CHANGE - 4 WK VERSUS 1WK AGO

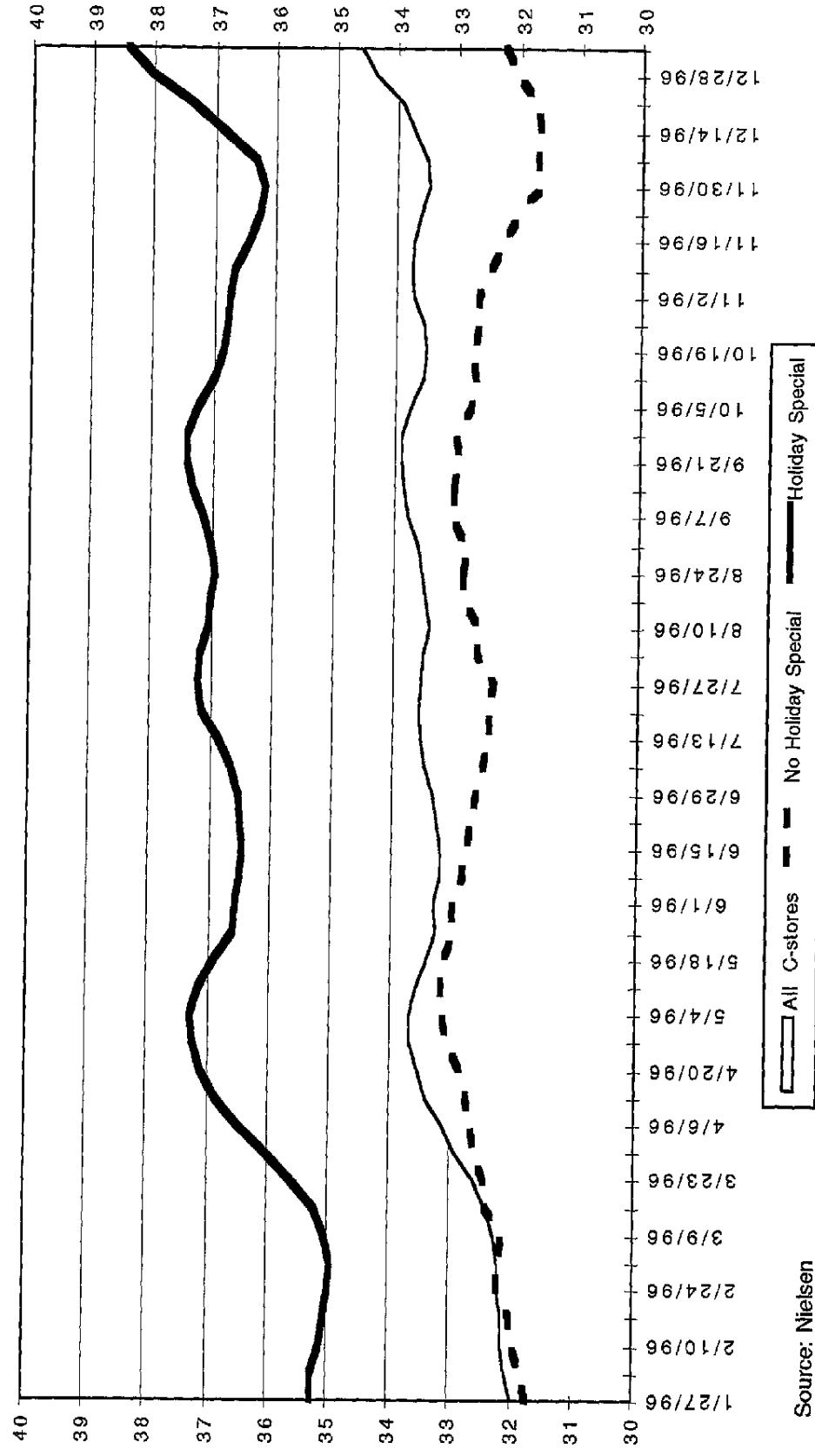


Source: Nielsen (4wk)

2071844602

PM-USA

**MARLBORO SHARE TREND
IN C-STORES WITH AND WITHOUT HOLIDAY SPECIAL MONEY-OFF**

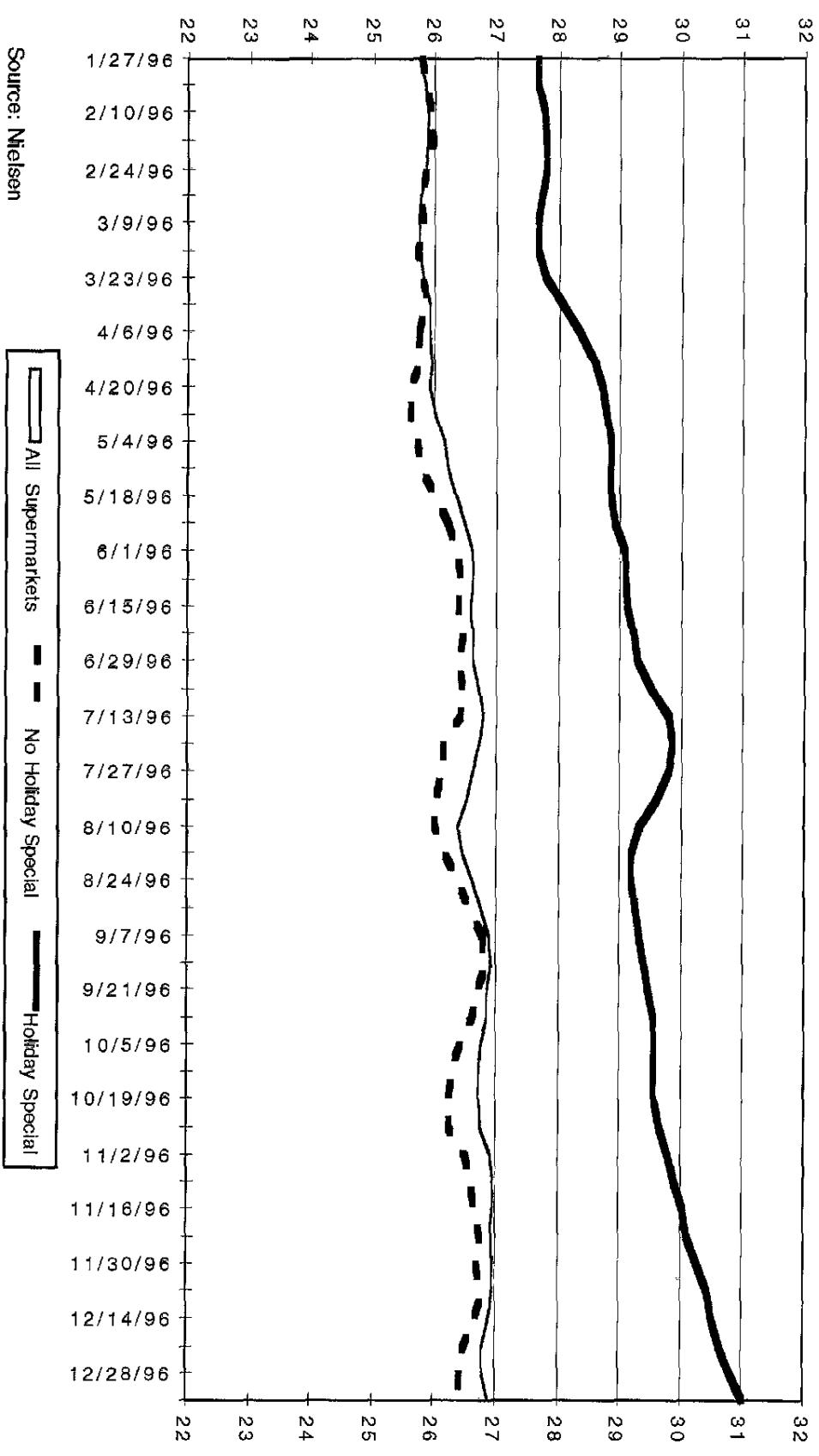


Source: Nielsen

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PMI-USA

MARLBORO SHARE TREND IN SUPERMARKETS WITH AND WITHOUT HOLIDAY SPECIAL MONEY-OFF



Source: Nielsen

2071844604

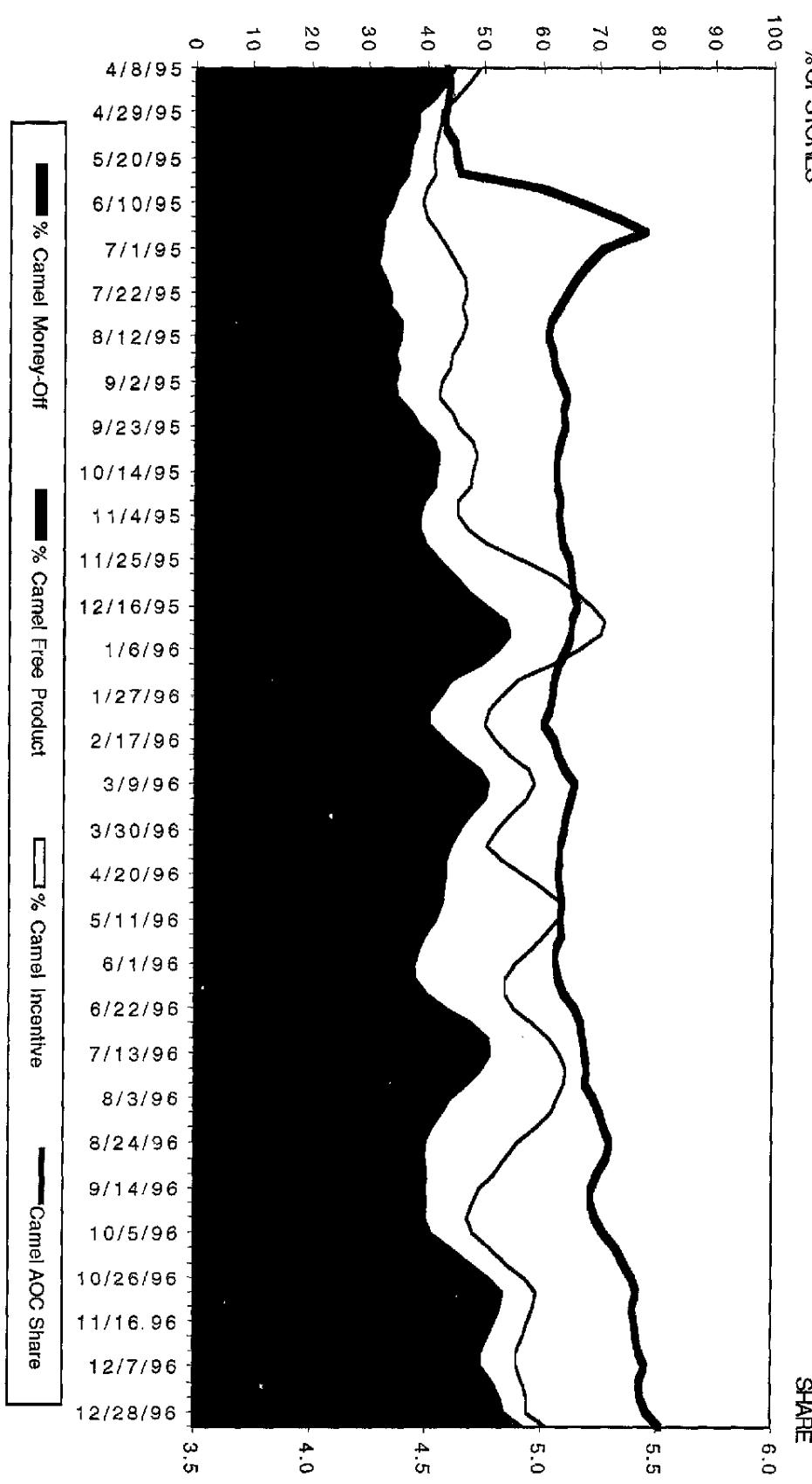
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BACK-UP

PM-USA

PM-USA

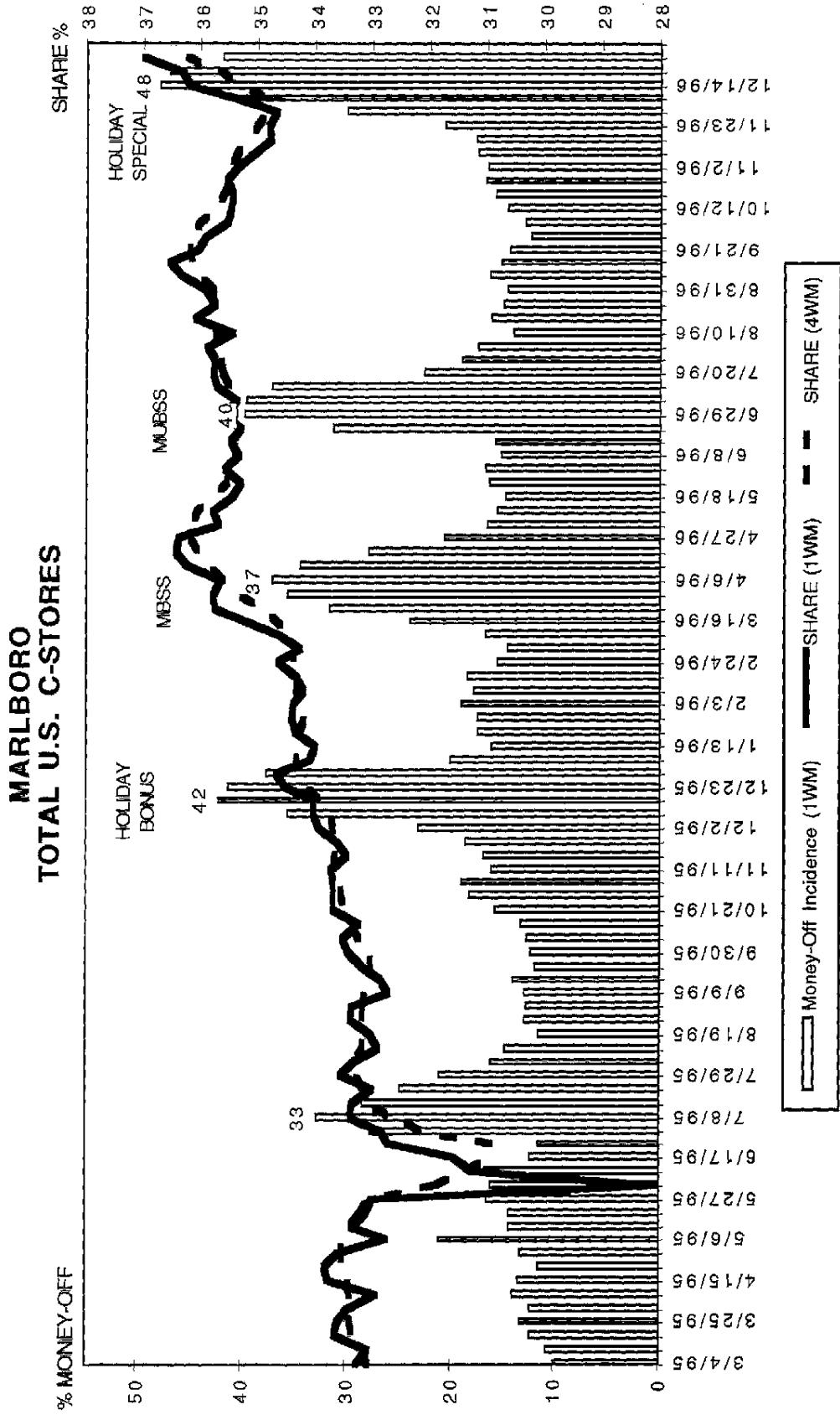
CAMEL C-STORE PROMOTIONAL INCIDENCE & AOC SHARE



Source: Nielsen (4wk)

2071844606

PM-USA



Source: Nielsen

207184607